Why Not the Best?

Service Delivery Core Review Report

by
H. Allan Hunt

Prepared for the Ministry of Skills Development and Labour
Government of British Columbia

W.E. Upjohn Institute for Employment Research
300 South Westnedge Avenue
Kalamazoo, MI 49007-4686
(616) 343-5541 voice
(616) 343-3308 fax

DOC
BC
S459
D:W4
2002
c.3

March 8, 2002

LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00258 3004

Table of Contents

Section 1. Service Delivery Core Review–Methods and Assumptions 1-1
- Introduction 1-2
- Other Assets 1-5
- Comparative Standards 1-7
- Consultation Process 1-10
- Conclusions about the Process 1-13

Section 2. Specific Responses to Terms of Reference 2-1
- Quality 2-1
  - a. *Is the WCB providing fair and timely services to workers and employers in terms of decision-making about workers' compensation and rehabilitation, occupational health and safety in the workplace, and employer classification and premium rates?* 2-1
    - Rehabilitation and Compensation Services 2-2
    - Vocational Rehabilitation 2-9
    - Prevention Division 2-11
    - Assessments 2-14
    - Appellate Delays 2-17
  - b. *Does the WCB communicate with its clients and stakeholders in a timely, responsive, and accurate manner? Is the response provided by the WCB appropriate given the nature of the question, problem, or concern?* 2-18
  - c. *Is plain language used in all decisions, documents, and communications? Are sufficient opportunities for face-to-face meetings and interaction provided?* 2-21
  - d. *Do workers, employers, and the public have sufficient information and awareness about the WCB to access its services efficiently and appropriately?* 2-23
  - *e. Are processes for resolving complaints and disputes timely, fair, and effective? Are workers and employers adequately advised of their review and appeal rights?* 2-25
  - *f. Does the WCB provide adequate training to staff in terms of client interaction and client service?* 2-26
    - Compensation Services 2-26
    - Assessment 2-28
    - Prevention 2-29

- Efficiency 2-30
  - a. *Are current organisation and service delivery models the most efficient available, and in keeping with best practices? Will current initiatives improve service delivery and meet the future needs of stakeholders? If not, what changes should be made to increase the level of efficiency while maintaining high levels of quality service?* 2-30
    - Administrative Costs 2-30
    - Timeliness 2-33

Current Initiatives 2-33

b. Does the current system provide an adequate focus on delivery of core services? Can organizational complexity be reduced to deliver these core services in a more efficient manner? 2-35

Compensation Services 2-35

Prevention Division 2-36

Assessments 2-37

Accountability 2-37

a. *Are current service performance measures and reporting mechanisms appropriate and effective?* 2-37

b. Are appropriate mechanisms in place to ensure service standards and key performance indicators are tracked and met? Are appropriate benchmarks established and tracked? 2-39

c. If not, what changes should be made to ensure the ongoing accountability of the WCB for fair, responsive, and timely delivery of service to workers, employers and the public? 2-40

Section 3. Recommendations 3-1

Customer Service Attitude 3-1

Staff Training and Accountability 3-3

Quality Assurance Program 3-6

Outcome Measures 3-9

Vocational Rehabilitation 3-15

Consultation or Confrontation 3-16

Case Management Model 3-17

Advisory Services 3-18

Self-insurance, Self-administration 3-19

Concluding Thoughts 3-21

Appendix

Table A-1 ......A-1

Table A-2 ......A-3

Table A-3 ......A-6

Terms of Reference TOR-1

References R-1

List of Figures

2.1 Overall Claimant Satisfaction with WCB Service 2-42
2.2 Overall Satisfaction 2-43
2.3 Overall Service 2-44
2.4 Fairness of WCB Policies & Procedure 2-45
2.5 Short-Term Disability Timeliness & Income Continuity (Average Timeliness) 2-46
2.6 Timeliness for Functional Awards 2-47
2.7 Timeliness for LOE Pensions 2-48
2.8 Timeliness for Appellate Returns 2-49
2.9 Vocational Rehabilitation Services Pay Claim Counts 1994-2001 2-50
2.10 Timeliness/Volume 2-51
2.11 Office Totals, Gross Expenditures per Month (in 000s) 2-52
2.12 Claimant Satisfaction with Vocational Rehabilitation Services 2-53
2.13 Overall Satisfaction 2-54
2.14 Incoming Calls to the Service Centre 2-55
2.15 Average Answer Delay Results – Account Maintenance 2-56
2.16 Average Answer Delay Results – Registration 2-57
2.17 Administrative Costs Per Lost-Time Claim, 2000 2-58
2.18 Administration Costs Per $100 Assessable Payroll, 2000 2-59
2.19 British Columbia, Ontario, and U.S. Average Assessment Rates, 1975-1995 2-60
2.20 Current Year Average Benefit Cost Per Lost-Time Claim, 2000 2-61
2.21 Actual Average Assessment Rate, 2000 2-62
2.22 Average Calendar Days from Registration to First Payment Issued 2-63
2.23 Average Calendar Days from Injury to First Payment Issued 2-64
2.12 Occupational Health and Safety Costs Per $100 of Assessable Payroll 2-65

List of Tables

A-1 WCB Statistics, 1991-2000 .... A-1
A-2 Core Review Interviews A-3
A-3 Submission Index A-6

Acknowledgments

No project of this magnitude is the product of a single person. I had a lot of help, and this is the place to acknowledge it. First, I thank those who were responsible for my selection for this very challenging task. I hope they are satisfied with the product. Second, I would like to thank the Minister of Skills Development and Labour and his staff for not interfering with the conduct of this study in any way. The Terms of Reference for the study were the only directions I received; there was no hidden agenda to be served.

I need to acknowledge the support and assistance received from my friend and colleague Peter Barth of the University of Connecticut. While Peter was not able to visit British Columbia personally and participate directly in the study, he did everything else that one could do to support my efforts. The same is true of Terry Bogyo, Director of Corporate Planning and Development of the WCB. Terry has been a friend since the first administrative inventory in 1991, when we were fortunate enough to draw him as our contact person at the WCB. While he has gone on to much greater professional endeavour, there is still no one who is more eager for a discussion about the nuts and bolts of workers' compensation systems.

Among those at the WCB who offered their support, Roberta Ellis and David Anderson earned special recognition for going out of their way to accommodate our requests and respond to our (sometimes unreasonable) questions. Ray Bozzer of the Employers' Advisors and Blake Williams of the Workers' Advisors also went above and beyond the call of duty to provide us with resources and their invaluable perspectives on the system. There were a large group of people who made special efforts to illuminate us on various features of the British Columbia system. We are especially indebted to Ajit Mehat, Wolfgang Zimmerman, and John Mandryk who gave freely of their time and their insights.

I wish to thank Karen Mullins of the WCB who e-mailed documents until I thought both our computers would overheat. Brenda White of the Core Review office in Vancouver was always there when I needed her and handled local arrangements throughout British Columbia. I could not have accomplished what I did without her. The times I got lost it was all my fault! Sue Berkebile held down the fort back in Michigan, and provided a peaceful and productive environment by protecting me from interruptions when necessary. She also managed and assembled this written report.

As always, my family endured the long absences and the missing weekends. While I can never make it up to them, I hope they will appreciate what has been accomplished through their sacrifices.

HAH
Kalamazoo, MI

Section 1. Service Delivery Core Review–Methods and Assumptions

This is the report of part 1, "Service Delivery," of the Core Services Review of the Workers' Compensation Board (WCB) of British Columbia. The overall objective of the Core Review is to ensure the Board has a clear mandate, which is relevant to society, and to determine ways in which the WCB can improve service delivery for both workers and employers.

The Service Delivery Core Review has a slightly narrower focus. According to the Terms of Reference (see Appendix):

> A review of the current service delivery challenges within the workers' compensation system will be undertaken. A key component of this review will be a comprehensive assessment of the WCB's interactions with workers, employers, and the public, a review of the WCB's current service standards, and development of recommendations that are in keeping with best practices.

This initial section of the Service Delivery Core Review Report will describe the methods that have been used, and lay out some assumptions that have been maintained throughout the five-month process.

We began in October by reviewing available public reports and interviewing the leaders of the WCB and related organisations. Then we broadened out to include stakeholders and legislators. Finally, we returned to Michigan to read and review the documentary record and to write this report.

Section 2 will present the heart of the report, our responses to the specific questions in the Terms of Reference for the Service Delivery Core Review. These questions were developed by the Ministry of Skills Development and Labour. The questions, and our responses, are organised around the issues of quality, efficiency, and accountability. Where possible, we treat the three operating divisions of the WCB separately in this discussion.

Section 3 reports our recommendations. These are derived from the activities conducted under the Service Delivery Core Review, as well as our decade-long interaction with the WCB. They reflect only the issues within the mandate of Part 1 of the Core Review, "Service Delivery." Given that mandate, they represent the issues that we feel are most critical to resolving the service problems at the WCB. They generally do not touch upon the subjects that were detailed for Part 2 of the Core Review, "Governance, Appellate Structure, Major Law, Policy and Regulation Review," although we are generally aware of the contents of that part of the Core Review as well.

Introduction

The Upjohn Institute brings significant experience with the WCB of British Columbia to this task. The first administrative inventory in B.C. was performed by the Upjohn Institute (with sub-contractors Peter Barth and Michael Leahy) in 1991. The administrative inventory model, developed by the Workers Compensation Research Institute in the U.S., was subsequently adapted for a number of other efforts, including the Upjohn Institute's review of the Assessment Department in 1992.

The Upjohn Institute returned in 1995 for the second general administrative inventory and followed that with a review of vocational rehabilitation policy in 1997. So, the Upjohn Institute has been involved in five separate studies of the WCB over the past 10 years, including this Core Review. We are familiar with most of the issues and many of the players, having interacted with them several times over the decade.

However, two things were very different about the Service Delivery Core Review. First, the framework for the study was provided by the Ministry of Skills Development and Labour without input from the Upjohn Institute. In addition, the timing and budget constraints prevented us from having the full "triangulation" that we have had in previous efforts. We did not have the advantage of multiple investigators to provide overlap of perceptions and redundancy of interviews. This technique provides a broader perspective as well as greater confidence in judgments about the system.

The other major difference is in the perception of performance of the WCB. We found a widespread belief that there has been a "service failure" at the WCB. This view was expressed by employers, injured worker groups, and MLAs. We think there are several reasons for this.

First, it may be true. Due to some unfortunate business model changes implemented in the Rehabilitation and Compensation and Services Division in the mid 90s we do feel that the quality of adjudication declined for several years. While there is no "smoking gun" to prove this, we will present the limited evidence that is available in the next section. Some steps have been taken to remedy the problems, but an aggressive campaign to reverse the impact has not yet been launched. The new leadership of the Division, installed early in 1999, decided that there had been "too much change" already, and that a calmer period to digest the change already in the system was needed.

Because of 1) the processing delays at the WCB and the Workers' Compensation Review Board (WCRB); 2) the long tail of the workers' compensation claims distribution; and 3) the growing litigiousness in British Columbia; it took from two to four years for a drop in adjudication quality to find its way "through the system." Thus, a drop in the quality of initial adjudication decisions on long-term disability claims three or four years ago may just now be reflected in the decisions coming out of the Workers' Compensation Review Board and attracting widespread attention. Plus there is so much "noise" in the system that it takes time to notice that something significant has happened. We submit that part of the perception of service failure is a delayed reaction to the changes in comp services in the mid 90s.

Another part of this perception is attributable to the landslide election win by the Liberal Party in November, 2001. With a large number of new MLAs, the complaints of unhappy WCB claimants are receiving more attention than before. Several MLAs told me that at least half of their constituent service effort was going into workers' compensation complaints. The point is that the new MLAs do not have an experiential base against which to assess the relatively large number of complaints which they are receiving. In fact, it may not be that large compared to a base of about 180,000 new WCB claims per year.

A final component is the drumbeat of criticism coming out of the workers' compensation consultant community. Employers are hearing these issues from multiple sources, and seem to be concluding that the WCB is "out of control." We have heard these arguments, too, but they do not ring true to us. We believe a more balanced assessment is needed.

It is clear that the workers' compensation system could do a better job, perhaps even a much better job. We find that the "failures" in British Columbia, other than these resulting from comp services changes, are remarkably similar to those in other Canadian, Australian, and U.S. systems. There are differences, of course, but the social, political, and economic trends of the last decade are impacting the perception of service quality right across North America and beyond.

Thus, we will not be recommending wholesale change in the Workers' Compensation Act or in the structure of the WCB as a result of the Service Delivery Core Review. We believe that the service problems at the WCB can be addressed within the current structure and legislation. Our suggestions will be presented in section 3, Recommendations.

Other Assets

Another major difference from our earlier work is the availability of other assessments of WCB performance in British Columbia. The Royal Commission on Workers' Compensation in B.C. spent more than two years reviewing the workers' compensation system and assessing its performance (from November 1996 through January1999). This extraordinary effort far exceeds anything that has been done in B.C. since the 60s and constituted an invaluable resource for the Core Reviews. This work provided a "jump start" on addressing many of the issues raised by the Service Delivery Core Review Terms of Reference.

In addition, the Auditor General of British Columbia conducted an excellent "Accountability Reporting Review" of the WCB (at WCB request), which was published in January 1998. Having access to this report, and several of its authors, provided another valuable resource for this effort. However, differences in timing and focus meant that these studies could only provide "rough approximations" to answer the questions in the Terms of Reference for the Service Delivery Core Review. In particular, we do not assign any responsibility for our opinions to either of these earlier efforts.

Another resource was the existence of roughly contemporary workers' compensation system reviews in Alberta, Nova Scotia, and Saskatchewan. We reviewed the available reports from these efforts and interviewed the author of the Nova Scotia and Saskatchewan studies, Jim Dorsey, who happens to be a former Chair and President/CEO ofthe WCB of British Columbia. There was also a "Legislative Audit" completed in the U.S. state of Washington in 1998 which provided additional context for the British Columbia system.

The WCB began a systematic program of surveying its clients in 1997. The well-known Canadian firm of Ipsos-Reid conducts monthly surveys of 1,000 claimants, and quarterly surveys of 500 employers. Ipsos-Reid provides a quarterly report on the satisfaction of claimants with a number of dimensions of WCB service, including overall satisfaction and specific service attributes such as fairness, professionalism, respect, care and concern, speed of service, and availability. They also probe the claimants' understanding of and trust in the claims process, the speed and efficiency of decision, and the fairness of WCB policies and procedures.

Employers are surveyed about their overall satisfaction and specific service attributes like courteousness, professionalism, thoroughness, fairness, decisiveness, ability to understand employer needs, speed or timeliness of service, and availability. In addition, employers are asked whether WCB claims staff are unbiased, are able to resolve problems, keep employers updated on claims, are proactive, and are accountable for the decisions they make. They also are asked about their preferred method of contacting the WCB, the efficiency of the WCB system overall, the adequacy of their understanding of the premium system, and questions about the appropriate employer's role in return-to-work outcomes.

These surveys provided an invaluable tool for us in assessing client satisfaction. The only way to gather this information heretofore was by laborious contact with individual clients. For this reason, we were not able to provide this kind of feedback when performing the administrative inventories, and we acknowledged the limitations imposed by the lack of such data. Now these data are available, and we made considerable use of them in our review.

The Policy and Regulation Development Bureau of the WCB provided us with a briefing book summarising Royal Commission recommendations, relevant policies and practices in other Provinces, and known positions of stakeholders in B.C. on a set of critical policy issues. This valuable background work also assisted in getting us "up to speed" on current issues and concerns in the British Columbia workers' compensation system.

Comparative Standards

Performance assessment is informed by relevant comparative standards. In this case, that would mean the performance of other Canadian (and perhaps some U.S. and Australian) jurisdictions. Unfortunately, this is not as simple as it would seem. In Canada, the Association of Workers' Compensation Boards of Canada (AWCBC) maintains a database and annual publications that allow comparison on a select few dimensions of performance. These have been used wherever applicable. They are extremely valuable in providing a comparative perspective.

For Australian jurisdictions, the Heads of Workers' Compensation Authorities maintain a roughly similar series. However, the Australian jurisdictions are much more diverse in administrative structure than in Canada, so comparisons with Australian state systems raise more questions than they answer. We have chosen not to use these data.

In the U.S. there are very few comparative data available. The Workers Compensation Research Institute (WCRI) has recently developed a large claims database as part of the "CompScope" benchmarking initiative. While this is an important resource, it only covers eight states so far (California, Connecticut, Florida, Georgia, Massachusetts, Pennsylvania, Texas, and Wisconsin). While it is true that these states account for about 40 percent of U.S. workers' compensation benefit payments, they do not offer much in terms of Canadian benchmarks. For example, none of these states have "exclusive fund" systems like the Canadian provinces.

Comparisons with U.S. jurisdictions are potentially misleading as well. The dominance of private insurance in most U.S. states means that there are virtually no performance measures available across entire systems. This reflects the competitive nature of the business and the unwillingness of American insurers to report performance data for fear of losing a competitive advantage.

There are administrative inventories available for 22 American states at this point. However, as the Royal Commission on Workers' Compensation in B.C. pointed out, "The model was never intended to be a tool for measuring and reporting on performance; it was designed to describe, not evaluate, a workers' compensation system." (p.34, Volume I)

The motivation was simply to get around the language and terminology problems (an impressive "tower of Babel") that prevented interstate comparisons, or made them grossly misleading. As Barth put it in the initial AI volume (Connecticut), "With later volumes in the series, it should allow public officials and others interested in the character and operations of state workers' compensation systems to make informed interstate comparisons." (Barth, 1987, p. 3) The "CompScope" series is meant to take this comparative interest to the next step, a comparison of actual performance indicators.

British Columbia remains the only Canadian jurisdiction where a formal administrative inventory has been completed; although Thomason and Olivier conducted a somewhat similar exercise for Ontario and Quebec, with specific comparative reference to U.S. jurisdictions, in 1992. Thomason and Burton have also done a couple of recent studies of the benefits and costs of workers' compensation in Ontario and British Columbia. The recent Thomason and Burton studies (2000, 2001) have shown that the two Canadian jurisdictions (especially British Columbia) have considerably higher benefits and significantly lower costs than U.S. averages. We will review these findings later.

Lastly, there are the U.S. "wage-loss" studies. These empirical studies of wages lost by injured workers have so far been conducted in four U.S. jurisdictions (California, New Mexico, Washington, and Wisconsin). While no Canadian provinces have yet completed such an effort, these studies represent the "state of the art" in answering questions about the adequacy of wage-replacement benefits. Unfortunately, we will not be able to use them in British Columbia, as comparable data are not available.

Consultation Process

The Terms of Reference for the Service Delivery Core Review indicated that "... the review will engage stakeholders in a time-limited consultation process to ensure their concerns about service delivery are heard and understood." Consultation efforts were conducted between October 22 and December 6, totaling five weeks in the province. The attached list (Table A-2) documents this interview and consultation effort.

A preliminary contact list was drawn up by the Ministry and the WCB, with input from the Core Reviewer. The contact list then grew throughout the consultation period in response to recommendations from previous contacts, requests, and submissions to the Core Review office, and the desire to follow up on particular issues.

Approximately 100 individuals were interviewed, some on multiple occasions. About 25 of these were current or recent employees of the WCB, including the President/CEO and all of the Vice Presidents, plus the President of the Compensation Employees Union. Another group of workers' compensation system "insiders" included the Chief Appeal Commissioner of the WCB, the Registrar of the Medical Review Panel, the Chair and Registrar of the Workers' Compensation Review Board, and the Directors of the Workers' Advisors Organisation and the Employers' Advisors Organisation. We also met with relevant staff of the Office of the Auditor General and the Provincial Ombudsman.

In addition, we met with 11 MLAs in one-on-one meetings in Victoria, and visited four SDL offices of the WCB (North Vancouver, Prince George, Kelowna, and Nanaimo). At each

WCB office, group discussions were held with the WCB employees in the office, totaling 300 to 400 individuals. We also spoke with three former and two current members of the WCB Panel of Administrators and the former Chairman of the Royal Commission on Workers' Compensation in B.C.

A meeting was also held with a group of workers' compensation consultants. This group included former WCB employees who now consult, mostly with employers, on workers' compensation matters. They offered their diverse perspectives on WCB service problems and suggested several changes to service practices. Multiple submissions have been received from members of this group since our meeting.

We met with about 40 employers or employer representatives, including four group meetings. Employer consultations were held with the B.C. Chamber of Commerce, the Employers' Forum, the Council of Construction Associations, Council of Forest Industries, Mining Association of British Columbia, and the Employers' Coordinating Group, in addition to several individual employers.

On the worker side, we met with approximately 25 workers or worker representatives, including two group meetings. Meetings were held with the B.C. Federation of Labour, the B.C. Government Employees Union, the Workers' Advocacy Group, and representatives of several local unions, including the Carpenters, Operating Engineers, and Pulp and Paper Workers.

Public Forums with workers and employers were held in Prince George, Kelowna, and Nanaimo. Announcements of these meetings were made through the offices of the B.C. Chamber of Commerce, the B.C. Federation of Labour, and the local WCB offices.

About 130 formal submissions were received during the Core Review. The majority came through the website established by the Ministry, but the total also includes a significant number submitted directly to the reviewer, or through the Core Review office in Vancouver. Approximately 60 submissions were received from workers or their representatives, 35 from employers or employer groups, and 36 from others including MLAs, consultants, WCB staff, and various interested parties. A list of submitters is attached to this report as Table A-3 (WCB submitters are not listed in order to protect their identity).

There were two remarkable things about the consultation phase of the Service Delivery Core Review. First is the degree of animosity expressed by critics of the WCB. This has escalated dramatically in the last five years and may now be a significant obstacle to achieving a more equitable and efficient workers' compensation system. We fear that all the consultation with stakeholders over the past decade has only driven them further apart, and particularly further from the WCB.

The second is the degree to which employers seem to be willing to believe the worst about the WCB. We heard exactly the same "horror stories" from multiple sources, which could not have represented their own experience. We very much fear that the combative politics in B.C. have affected attitudes about the WCB. The WCB has become the bureaucracy that everybody loves to hate.

Conclusions about the Process

We accumulated approximately 10 linear feet of documents; from the WCB and related sources, government offices, and submissions from interested parties. We also received hundreds of e-mail messages, many with attachments. We promised all interviewees and submitters that we would read everything they sent us. With respect to submissions, we kept our promise. With respect to some of the more voluminous documentation that was provided to us, we will have to ask for forgiveness. It was just not possible to review it all with the care that it needed in the time available.

Frankly, this was a much more difficult task than first imagined. The WCB has made a number of major changes in the past five years. We were not prepared for most of them. Attitudes have become more divided and hardened than before, but employers seem particularly aggravated with the WCB. We found that almost no common ground existed; nearly everything that we were told about the system was contradicted by someone else. Given that, we have done our best to present the truth as we saw it. I felt that this would be more productive than just reporting on the adversarial positions. Thus, this report is more of a personal interpretation and reaction than a recounting of facts.

Because of the severe time constraints, the report is not fully referenced, justified, or defended. It has not been possible to provide careful documentation for all statements. The report also assumes considerable knowledge of the British Columbia workers' compensation system; it is not a descriptive report in the style of the administrative inventories.

It is also not balanced in treatment of the Divisions of the WCB. We spent the most time by far on claims adjudication matters, which are handled by the Rehabilitation and Compensation Services Division, because that was where we heard the most complaints in the interviews and in the submissions. We spent the least time on the Prevention Division, although there were also some complaints about the attitude and performance of individual Prevention Officers. We did not judge these to be "out of the ordinary." The Finance and Information Services Division fell in between. We would have liked to have had more time with each Division, and it would have been valuable to talk with line employees one-on-one, rather than in large groups, but time did not permit.

This Core Reviewer spent five months of immersion in the workers' compensation system of British Columbia. I can't maintain that I have learned everything there is to learn, nor that I understand everything I have seen. However, I can maintain that I have given it my very best effort within the constraints presented. While it is informed by scores of others, in the final analysis, this report remains one man's opinion of the workers' compensation system in British Columbia.

Section 2. Specific Responses to Terms of Reference

This section presents our formal responses to the Terms of Reference. As such, it builds upon the other material presented in this report. However, in this section those findings and observations are specifically focused on the questions set out by the Ministry of Skill Development and Labour to guide this effort. The questions, and our responses, are organised under the topics of quality, efficiency, and accountability.

QUALITY

a. *Is the WCB providing fair and timely services to workers and employers in terms of decision-making about workers' compensation and rehabilitation, occupational health and safety in the workplace, and employer classification and premium rates?*

In general, the WCB is providing fair, but not always timely, decision-making to workers and employers in these areas.[1] Due to a combination of circumstances (discussed elsewhere in this report), decision backlogs have grown in various spots and processing times have consequently lengthened. There are particular problem areas which will be discussed below.

Of course, there is a global trade-off between speed and accuracy in administrative decision-making; since to ensure the accuracy of a decision requires more time to investigate, and resolve any contradictions in the record. So it is clear that the WCB can provide better decisions with more time and/or more resources. It is also possible to make the decisions "easier" by simplifying the entitlements in the legislation. The trick is to find the right balance. We will discuss the divisions of the WCB separately.

---

[1] We take "fair" to mean without favour or prejudice, equitable to all concerned; bearing in mind that the Workers' Compensation Act specifies that the benefit of the doubt should be resolved in favour of the worker.

Rehabilitation and Compensation Services

For the most part, initial adjudication decisions in "comp services" are made in a timely manner. The WCB uses an "inquiry" system, which is to be distinguished from an adversarial system. The WCB must inquire into the facts of a WCB claim in order to make an informed decision according to the "merits and natural justice" of a claim. This system leaves the initiative with the WCB; they decide when the facts are sufficiently clear to allow an adjudication decision.

Figure 2.1 shows the results from the Client Satisfaction Survey conducted monthly by Ipsos-Reid for the WCB. It shows quarterly average ratings from 1999 through 2001. I would regard ratings of around 8.0 on a 10-point scale as "good" for a WC system. The WCB has rated around 7.0 to 7.2 for the past few years. I would regard this performance as "fair." Further, while there is slight variation from period to period (especially in the monthly data), there is no perceptible trend over the past five years.

Figure 2.2 shows more detail for the third quarter of 2001, as it gives the distribution of actual responses across the 2,974 respondents. It indicates that considerably more claimants are satisfied than dissatisfied, with 54 percent rating the WCB at 8 or better, and only 13 percent rating them at 3 or lower on the 10-point scale.

There is another measure in the Ipsos-Reid survey that is called "overall service." It refers to the client's evaluation of the overall service provided by the WCB staff member with whom they most recently had contact. Figure 2.3 shows that these ratings are significantly higher than the "overall satisfaction" measure. For the past two years, injured workers have rated overall service at 7.7 to 8.0 on the 10-point scale. As indicated earlier, I regard ratings of 8.0 as "good" for a workers' compensation system.

Thus, it appears that claimants are more satisfied with the service received from the WCB than they are with the overall workers' compensation system. This was confirmed in the core review consultations, as the top complaint was delays in the appeals process.

Customer satisfaction data are very difficult to come by (especially outside of Canada) and are frequently not published. However, review of data that are available indicates that B.C. ratings are very similar to those in Manitoba and slightly better than those in Ontario. They are considerably better than those in Victoria, Australia. Thus, I regard the performance of the WCB in claimant satisfaction as "better than average."

Several factors reduced WCB adjudication quality in claims during the mid 90s. First, there was a reduced emphasis on the quality of decisions within the Rehabilitation and Compensation Services Division, particularly coincident with the introduction of the new business model in 1996. The jobs in the Division were shuffled considerably as a part of this change to a "Case Management" model. Case Managers replaced the former Claims Adjudicators. Claims Officer I staff were converted into Customer Service Representatives in the new Call Centres. Claims Officer II staff were converted to Entitlement Officers. Articulation between these functions was to be determined by duration and complexity of the claim.

Commitment to determining the facts of a claim before a decision to accept or deny was much reduced in emphasis within the WCB system. The former VP of Compensation Services expressed the attitude that "we will let all the claims in the door, and then manage them to a conclusion."

At about the same time, the Training and Education Centre for the Division was closed down. As a result, new claims staff members were not adequately trained in the fundamentals of law and policy, thorough investigation, or quality decision-making. It was the position of divisional management that these aspects were no longer as important, that "the system" would provide adequate guidance for entitlement decisions. There was also a tremendous need for training in the new electronic file (e-file) system which was being introduced concurrently. Since there was also a great amount of recruiting and staff turnover at this time, the problem was rapidly distributed throughout the division.

Another factor is the increasing complexity of decision-making required. The Board's acceptance of a variety of non-traumatic conditions, including "activity-related soft-tissue disorders" (ASTDs), occupational diseases, and stress claims has made the adjudication task significantly more challenging. These conditions can be difficult to diagnosis and it is nearly impossible to determine work causation, as opposed to a variety of other non-work factors including genetic predisposition and personal fitness and health. These conditions typically develop gradually over time, which demands increased investigation and weighing of complex medical evidence by the adjudicator. Simply put, WCB adjudication staff find it more difficult to determine what is and is not work-related.

In addition, the growing appellate activity, increased involvement of professional advocates or consultants, escalating medical diagnostic sophistication, and an aging British Columbia workforce have all contributed to the "complexity" of decision-making at the WCB.

Fairness, or the lack of bias in decision-making, is more a perception than a fact. Fairness cannot be documented or proven. In workers' compensation systems where there are sometimes two sides to a story, especially between a worker and his or her employer, fairness will not always be achieved in the eyes of both. However, fairness is more likely to be perceived when all of the information is reviewed or considered and a decision can be substantiated by law, policy, procedure, and the facts of the case. In other words, quality decision-making is more likely to be perceived as fair, but many people will still complain about fairness when the decision goes against them.

So to achieve the highest degree of fairness, the highest quality of decisions must be made, and an adequate effort must be expended by the decision-maker to explain that decision to the parties. How does one achieve high quality decisions? Recruiting and retaining highly qualified staff is one answer. Thoroughly training and carefully nurturing and developing those staff through internal career paths is another. Providing useful and accurate decision-making tools incorporating the Board's policies and accumulated experience is a third.

But even more basic than these human resource issues are the fundamental matters of communicating the role and mandate of the WCB, and setting realistic client expectations. With a statute as complex as the Workers' Compensation Act, this is no small job. As will be discussed later, the WCB as well as the Workers' Advisory Service and the Employers' Advisory Service need to do a better job of managing these basic communications.

Figure 2.4 shows claimant assessment of the "fairness of policy & procedure" according to the Ipsos-Reid survey for the past two years. While there is some variation over time, about 80 percent of claimants feel that the system is "very fair" or "somewhat fair." Less than 20 percent of claimants feel that the system is "not very fair" or "not at all fair." It is worthy of note that vocational rehabilitation clients are omitted from these figures. We shall see later that a lower proportion of them find that vocational rehabilitation policies and procedures are fair (about 60 percent). This illustrates the burden of fairness when dealing with more difficult adjudication decisions. The more complex and less clear-cut the case is, the lower the perception of fairness.

Timeliness has several different meanings, according to the circumstances of the claim. For the routine claim with no long-term disability, the time from the injury to the posting of the first wage-replacement check is most appropriate. For the permanent disability claim that requires vocational rehabilitation services, the time spent waiting for an initial vocational assessment or employability assessment may be more relevant. For the claim that is appealed to the Workers' Compensation Review Board, the time spent waiting for a hearing, or for the implementation of the results of that hearing, may be more relevant.

Timeliness at the WCB is measured by what is called "paylag" (also called Income Continuity). This is the period of time between the injury date and when the first payment on a claim is sent out. The Board paylag standard for many years has been 17 days, and this standard is met in a majority of cases. It is true that at times of peak staff absences (see January, April-May, August-September) decision-making time increases. Figure 2.5 shows the paylag statistics for the last year by month

The average time from date of injury to first STD payment is approximately 17 days. Moreover, nearly 50 percent of injured workers are paid within 10 days of injury, and 75 percent are paid within 20 days of injury. It is also worthy of note that the time elapsed from date of injury to date of claim registration at the WCB is about eight days. So the timeliness performance of the WCB is very good on short-term disability claims.

For permanent disability claims, another timeliness standard becomes important; the time from medical plateau (or maximum medical improvement) to the determination of the permanent disability pension. In British Columbia, the dual pension assessment system means that many claimants receive both an evaluation for a permanent functional impairment (possibly resulting in a functional award) and an evaluation of the impact of their disability on their expected lifetime earnings (possibly resulting in a loss of earnings award). The claimant receives whichever pension results in the higher compensation benefit.

Figure 2.6 shows the timeliness performance of the WCB Disability Awards Department for the last five years in determining functional pension awards. It shows a rise from about 240 days to over 400 days between 1998 and early 2000. Thereafter, the timeliness has improved slightly. The lower line shows that most of this time is spent waiting for assignment to an officer, or queuing, rather than being actively processed. This part of the delay reflects a growing backlog of claims to be considered.

This drop in timeliness is thought to be due to the business model changes in comp services discussed earlier. It was originally believed that the case management model would reduce the number of permanent disability awards. In fact, the opposite has been the case. However, it took nearly two years for the impact to actually show up in Disability Awards as claim durations for temporary disabilities lengthened as a result of the business model changes, and a higher proportion of these claims "lingered" in the system until they became permanent disability claims. Thus, the inability to resolve claims within the case management model led eventually to an increased pension evaluation workload for Disability Awards. This increased workload led in turn to increased delays in assessment for permanent disability awards.

Figure 2.7 displays the timeliness data for loss of earnings pensions. Of necessity, these will take longer because they also have to go through the Vocational Rehabilitation Services Department for an employability assessment, which we will see has also been a significant bottleneck. The figure indicates that the time from referral to award of an LOE pension rose to nearly 600 days by early 2000, and has declined slightly since then. Over 300 days of this time were spent waiting for assignment to a Vocational Rehabilitation Consultant.

While the underlying cause of these processing delays is similar to that for Disability Awards, the situation was further complicated by the dismantling of the Vocational

Rehabilitation Services Department as an integral part of the implementation of the case management model. When the case management model was developed, it was thought that Case Managers would be capable of working with the at-injury employer to secure a safe and durable return to work in most cases. Since this work was previously assigned to the Vocational Rehabilitation Consultant, it was reasoned that there would be less need for VRCs in the future. In 1998 the WCB stopped filling vacancies in the VRC roster. Thus, at the same time that the workload was starting to rise, the resource was being cut.

There is one more aspect of WCB timeliness that is a source of complaints. After a decision has been appealed to the Workers' Compensation Review Board, it is usually referred back to the WCB for implementation of the Review Board decision. That claim also takes its place in the queue, although on an expedited basis. Figure 2.8 shows that such claims are taking approximately 50 days for assignment to an adjudicator, and are then taking approximately 180 days for implementation, for a total delay of about 230 days. Of course, this is on top of delays of up to two years at the Workers' Compensation Review Board.

Timeliness is not close to adequate in these serious disability cases in my opinion. The queuing delays in Disability Awards are much too long, and those in Vocational Rehabilitation are even worse. Realistic timeliness goals would be achievable with appropriate processes and staffing options to handle incoming volume. As indicated earlier, the trick is to achieve timeliness without compromising quality.

One benefit from the new business model in comp services comes from the e-file system. Now, the status of claims can be reviewed at any location with a WCB e-file terminal (including the Workers' Advisory Office and the Employers' Advisory Office), ending a frustrating and unproductive "paper chase" which used to impede any response to service inquiries. Further streamlining and development of this system and additional staff training and familiarisation will help to further improve timeliness.

However, the implementation of e-file was very difficult. There were two major issues. It has been estimated that at the end of 1996, just prior to the rollout of e-file, approximately one-third of the affected employees in compensation services had no previous experience with any use of personal computers, including at home and previous employment. Thus, there was an enormous training gap that had to be filled.

Second, the WCB, in anticipation of e-file and other coming changes, negotiated a provision in the collective bargaining contract with the Compensation Employees Union (CEU) in 1995 that ensured that no employee would be adversely impacted by the introduction of technological or process change (Article 67). This provision has led to criticism of the WCB management, especially in employer circles.

Vocational Rehabilitation

The Vocational Rehabilitation Services Department (VRS) deserves separate discussion because of the critical nature of its mission, the specific timeliness problems that have developed there, and because of the past attention it has received in our administrative inventories. It is clear that there have been problems with the timeliness of decisions in the past, as well as questions about the cost effectiveness of vocational rehabilitation services. Partly for these reasons, the VRS department has endured more "administrative churn" than any other part of the WCB over the past decade.

We documented our concerns over VR in the 1991 administrative inventory, and raised an urgent warning in the follow-up in 1995. The issues were grave enough that we were asked to conduct a separate follow-up study on VR policy and practice in 1997. At that time we expressed the opinion that this "stop-start" pattern had seriously impacted VR performance (see Hunt and Leahy, 1997).

But the cycle was repeated again in mid-1998 when the Division stopped filling vacancies in the VRS department as part of the implementation of the case management model. The case management model presumed that Case Managers would be responsible for the preliminary steps in the vocational rehabilitation model (namely, return to the same job or return to different job at the same employer). As a result the need for Vocational Rehabilitation Consultants (VRC) would be reduced, and the Division leadership believed that these services could be provided more effectively by the private market. Thus, VR services also began to be contracted-out late in 1998.

The result was that claim counts (as well as outsourced contract expenditures) for VR rose rapidly through 1998 and 1999. Then with the change in leadership at the Divisional Vice President level early in 2000, the previous decisions were reversed and the VRS department returned to the previous plan. Figure 2.9 shows this story as reflected in the number of VR claims receiving wage-loss equivalency benefits. From a low of about 1,750 late in 1997, claim counts rose to over 3,300 by early 2000. With the reestablishment of VRS management and a reduction in contracting-out, claim counts have receded gradually through 2001.

Figure 2.10 indicates how these changes have impacted the timeliness of VR services. Delays from referral to completion of the Initial Vocational Assessment (IVA) have declined from around 75 days to around 25 days, while delays from referral to the completion of an Employability Assessment (EA) have declined from around 200 days (with higher peaks) to around 100 days, on average. The cost implications are shown in Figure 2.11, which reports the total VR expenditures per month for the past three years. Again, the loss of control of VR programs shows in the rise of monthly expenditures from about $7 million early in 1999 to near $10 million in the middle of 2000. The slight decline since that time indicates that VR costs are back under some management and control.

These programmatic problems are reflected in the Ipsos-Reid client surveys. Figure 2.12 shows that satisfaction is considerably lower among VR clients than among the general WCB population. In the third quarter of 2001, the mean satisfaction rating by VR clients was 5.1 on a 10-point scale (compared to 7.0 overall for claimants). It is clear from these survey results that many injured workers have become very dissatisfied with the system by the time they get to be VR clients. According to Ipsos-Reid, nearly 40 percent indicated that they were pretty dissatisfied (ratings of 1-4), with fully one-fifth choosing the most extreme response. (see figure 2-13)

On the other end of the scale, about one-quarter of survey respondents indicated that they were well satisfied (ratings of 8-10). We can presume that the satisfied group consists of those where VR went well and the services received were appropriate and helpful. The dissatisfied group was obviously not happy with the services or treatment received. While not overlooking the fact that some clients are satisfied, we would regard this as a poor performance. There are more people very dissatisfied than there are very satisfied. We will return to vocational rehabilitation issues in the Recommendations section.

Prevention Division

Quality of service in this area is evaluated primarily by employer and worker perception. Consultations indicate that this depends to a large degree upon the individual officers in the field. Unfortunately, there are no random sample surveys of Prevention Division clients to evaluate their performance, as there are for the Rehabilitation and Compensation Services Division.

Testimony of employers during the Core Review indicated that some individual officers are a problem. They also indicate that fairness and timeliness may be issues in the penalty process.

However, the level of complaint was judged to be "normal," given that we are dealing with an occupational health and safety standards enforcement operation. Consultation efforts by the Division have been well received, and the industry partnerships that the Prevention Division has been setting up are very popular. We were also impressed with the focus firm strategy, which targets the worst performers for special attention. None of these efforts have been evaluated for their actual results, but we were impressed with the focus of the Division and its leadership.

Fairness is likely to be experienced when there is a good working relationship between the field officer, the workers, and the employer. The Officer provides the key link between the employer and the legislation, especially for smaller businesses or those in less-hazardous industries. The Occupational Hygiene Officer or Occupational Safety Officer often is the only face-to-face contact an employer or worker has had with the Board in their work environment.

In the last few years, the Prevention Division has been gradually moving toward more consultation. Employers report that despite the positive efforts of many officers, there are still some officers whose main concern appears to be to find violations, write orders, and impose penalties. Employers complain that an officer may visit and indicate that a certain work practice is safe, but subsequently another officer finds that same procedure deficient and recommends a penalty. Employers also report trying to get "advance commitments" from officers that if they install certain improvements or corrections, they will not be found in violation. Officers are understandably reluctant to make such commitments, but it is frustrating to employers.

Small business representatives feel that the new penalty schedules, implemented in 2000, are unfair. Maximum penalties were increased substantially at that time. Administrative penalties take into account employer payroll level and degree of risk. However, it is felt in the employer community they punish small business more harshly in financial terms, or ability to pay. There were a total of 202 penalties imposed during 2001 with an average monetary cost of $8,600.

Employers also complain that the appellate resources open to them are not parallel to those on the claimant side. If an employer disagrees with an order(s) or wishes to dispute a recommendation for an administrative penalty, there are two steps in the process at the present time. The first step is to proceed to the Prevention Division's Review and Penalty Department. Reviewing officers in this department function as an appeal body, weighing whether orders should be rescinded, varied, or confirmed. Employers see an area of potential bias as one Board Officer is reviewing another Board Officer's decision. It is perceived that Board Officers are reluctant to overturn under these circumstances. Currently, Review and Penalty represents the only level of review for orders. With regard to administrative penalties, the next review step (and only level of appeal) is to the Appeal Division of the WCB.

Finally, there is no provision to sanction a worker for unauthorised high-risk work practices, as there are for employers. Employers feel that this is unfair because then they will be held accountable for an irresponsible employee's actions in the event of an accident. Yet there is no penalty to the worker for engaging in the risky behavior, even if it is against written company policies and procedures.

Timeliness is not much of an issue in Prevention. The only complaint I heard was concerning when orders are written and a subsequent recommendation for enforcement can be made by an officer. It was maintained that an officer may write orders in May, serve notice of prosecution in August, and file charges in October. Further, one employer source maintains that these delays are common and can significantly prejudice the employer's ability to present an effective defense, since appropriate records may not be retained.

Assessments

The Finance/Information Services Division includes the Assessment Department, which is responsible for determining who is an employer subject to the Act, setting the classification which determines their initial assessment rate, administering the experience rating system, and collecting the revenue as it comes due. The Upjohn Institute performed an administrative inventory of the Assessment Department of the WCB in 1992.

There has been a great deal of change in the Department in the past few years. The classification and experience rating systems have been completely redesigned, and were deployed late in 1999 for application in the year 2000. A new focus on risk management has been developed in the Division and an integrated WCB electronic data warehouse has been started. In addition, the Division implemented a new business plan, with more centralised resources, a new internet orientation, and a telephone employer service center. Partly as a result of these changes, the Department has experienced a backlog of inquiries, which apparently has led to a decline in the quality of service.

Fairness is primarily an issue that involves treating similar businesses equally, so that the workers' compensation assessment does not put one business at a disadvantage (i.e., horizontal equity). It also means avoiding cross-subsidies between employers that extend beyond the insurance principle and become semi-permanent. This was one of our concerns in the 1992 study. Employers agree that, in theory, the new classification system should provide improved fairness because a larger number of classifications makes it more likely that employers can be classified consistently, and more likely that they will be classified with their peers. However, a lot of confusion was generated by the changes, and the Department was essentially overwhelmed by the number of phone calls and other inquiries that were received.

In addition, the Department has implemented new policies that allow splitting payroll between different classes when that most fairly represents the risk exposure of the business entity. They have also allowed seasonal payroll splitting for the business that changes its nature with the seasons (for example, a winter ski resort/summer golf resort entity). I see these policies as evidence of a quality service orientation.

However, the consequence of centralising Assessment Department staff in Richmond is that employers cannot obtain face-to-face service at their local service delivery location any more. This is resented in the outlying areas of the Province. The department seems to be relying more and more on technology (particularly the internet) to communicate with employers. Ultimately this will lower administrative costs and perhaps improve service. But since employers located in remote areas are also less likely to have access to adequate technology, including broadband internet access, this may be putting them at a disadvantage.

Timeliness of service has become an issue in two arenas since the reorganisation of the assessment functions. The first issue is the timeliness of service from the new Employer Service Center for registrations, the initial contact where the employer sets up an account, etc. The second is the routine Account Maintenance activity. The Service Centre receives a large and variable volume of phone calls, ranging over the last two years between about 500 and 2000 per day. Figure 2.14 shows the average number of calls per day for two-week periods since the Service Centre opened in late 1999.

The variance in call volume has created a service problem, as it has proven difficult to staff appropriately to cover a four-fold variation in daily call volume over the course of a year.

However, the multiple years of data do seem to indicate a seasonal pattern, which may make it possible to work out appropriate staffing needs. It may also be possible to smooth out some of this traffic by staggering the dates of reporting requirements more effectively.

Figure 2.15 shows the average answer delay (in minutes) for a 19-month period ending in October 2001. Weekly averages range from just under 5 minutes to over 20 minutes. Employers complained loudly about these delays; and of course this is just the delay until the call is answered and says nothing about the delays in completing the purpose of the call. Further, the Assessment Department has set a performance target level for answering such calls at 80 percent answered within 10 minutes! This is not acceptable service to the employers we spoke with.

It also seems that a fair amount of the call volume is misdirected. Approximately one-third of the calls in 2001 were actually intended for other WCB departments. According to testimony received, this seems to result from inappropriate phone book listings for the WCB in many rural communities. I heard the same complaint in the outlying SDLs from Prevention Department staff, who field many calls intended for claims or assessments. This should be a simple administrative matter to correct.

New business registrations have also caused a service problem. Whether received over the Internet or by telephone, fax, or mail, there has been a problem with processing these in a timely manner. Figure 2.16 shows the analogous data for average answer delay in the account registration function. While the average timeliness performance is better here than for account maintenance, the variability is obviously much higher. Again, the performance standard has been set at 80 percent of calls answered within 10 minutes. I do not regard this as sufficient for a quality service level for a dedicated phone service center.

Appellate Delays

We cannot leave the subject of timeliness without discussing the delays in the workers' compensation appellate structure in British Columbia. Appeals from WCB decisions grew rapidly in the first half of the 90s, and the Workers' Compensation Review Board (WCRB) fell further and further behind. The number of "new matters" brought before the WCRB dropped from 1996 through 1998, and then began to grow again. Currently the WCRB is receiving about 15,000 Part 1s – Notice of Appeal annually. About 11,000 of these continue on to Part 2 and actually enter the appellate process.

It is taking an average of about 14 to 15 months for the Part 2 applications to come to a hearing, and another 2 months for the opinion to be processed. Since the appellant has 3 months after the original WCB decision to file a Part 1 and then 6 months to proceed with the Part 2, it is obvious that most appeals are taking upwards of 2 years to work their way through the processes of the Workers' Compensation Review Board.

Since the WCRB is receiving about 11,000 new appeals per year, and closing about 12,000 appeals per year, it is also clear that the backlog will not disappear overnight. As of 4 October 2001, there were over 10,000 Part 2s that had not yet been assigned to a panel. This represents nearly one year's output. Another 2,500 cases had been assigned to a panel and were underway, while 7,500 Part 1 appeals were pending.

Other appellate bodies have delays also, although nothing like the WCRB. The Appeal Division of the WCB hears appeals from WCRB findings, as well as criminal injury, prevention, assessment, and employer relief of cost appeals. The Appeal Division is required to dispose of appeals within 90 days of commencement according to statute. Medical Review Panels are currently taking approximately 6 to 9 months for completion, which is too long, but understandable when one requires 3 medical specialists to examine a subject and agree on an opinion, etc.

This is a policy issue and will be addressed in the other core review report. But it also creates a service quality issue for the workers' compensation system, and the WCB. The long delays for appellate relief of WCB decisions adds to customer dissatisfaction, even though the WCB has little or no influence on the WCRB end of the problem. In fact, the overly long appellate delay was the number one service problem mentioned by workers and employers alike in the service delivery core review.

In that regard, we applaud the Appeal Intervention Pilot Project, and the new spirit of cooperation between the appellate bodies represented by the quarterly Roundtable discussions led by the Ministry of Skills Development and Labour. The Appeal Intervention Pilot Project has documented significant service problems at the WCB, as well as illuminating the fundamental changes that claims undergo as they began to move through the appellate process (50 percent of claims reviewed contained new evidence since the WCB decision, for example). While we applaud the Pilot Project and its goals, we will argue later that attacking this problem at the "back end" of the adjudication process is not the most effective way to solve the problem in the long run.

b. *Does the WCB communicate with its clients and stakeholders in a timely, responsive, and accurate manner? Is the response provided by the WCB appropriate given the nature of the question, problem, or concern?*

Communications with clients and stakeholders have improved tremendously over the past decade. One highlight is the President's Tour which is a series of public meetings around the Province that members of the Senior Executive Committee put on each year. The WCB has also developed a first-rate website that garners approximately 800,000 visits per month, including

30,000 visits to the searchable database on regulations. The WCB has also instituted a "Practice Forum" which consists of three labour and three employer members. This group meets monthly with the President and reviews new practice directives from all WCB divisions. Unfortunately for the WCB, the appetite for information has escalated at least as rapidly over the same period. So, while the WCB is making more of an effort to communicate with its clients and stakeholders, they seem to be less satisfied with the level of communication than they were before.

WCB brochures and other published materials are of excellent quality and are reported to be very useful to clients and stakeholders. In the past two years, the WCB "WorkSafe" website has grown even more functional. Employers can access clearance letters on line (providing they are registered) and employers and workers can access most of the information the Board utilises in terms of law and policy. Recent improvements to the "Health and Safety Centre" promise even more productivity and growing traffic from workers and employers, especially smaller employers.

Because of the large number of programs and services provided by the Board, and their complexity, communication is admittedly a challenge. Hundreds of thousands of decisions are made, which require communication to a wide range of clients. If a written document is not clear, concise, and self-explanatory, the clients have a tendency to respond by initiating an appeal.

Major changes throughout the Divisions in the past five years have also complicated the communication task. Alterations in the adjudication model (including e-file), the assessment classification system, the experience rating system, and Health and Safety Regulations have all created the need for even more communication Old ways must be unlearned and new ways mastered by clients and stakeholders. This has been further complicated by the changing technology of communication, as face-to-face contact has yielded to telephone, fax, and then to e-mail or website access over the internet. As the Board has moved ahead in its technology, some clients and stakeholders feel they have been left behind.

Difficulty in communicating with the WCB is a major complaint by both claimants and employers according to our consultations. This is borne out by the results of the Ipsos-Reid surveys. Among claimants, "availability" is the lowest rated service attribute, with a rating of 6.6 on a 10-point scale in the third quarter of 2001. For employers, the same is true but the absolute rating is a little higher, with a rating of 6.9 on a 10-point scale. Both workers and employers report that WCB staff members are difficult to reach by phone, that they frequently reach voice mail, and that phone calls are not always promptly returned.

The most serious communication failures encountered during the Core Review were in the Assessments Department. The Employer Service Centre is not able to handle the volume of phone contacts that are occurring, and the standards of performance that have been adopted are not nearly good enough to satisfy employer stakeholders.

There is no question the Board is aware of this issue, and has made an effort to improve communication with its stakeholders. Some areas of the Board are doing an adequate job, whereas other areas need improvement. The draft Claims Management Standards that the Rehabilitation and Compensation Services Division has developed include the following suggested standard: "Return calls as soon as possible and no later than 24 hours." The goal of each department should be to respond to inquiries in a timely manner, and reasonable performance indicators should be in place to measure whether they meet this goal.

c. *Is plain language used in all decisions, documents, and communications? Are sufficient opportunities for face-to-face meetings and interaction provided?*

Plain language is not used in all decisions rendered by the WCB. This is a continuing problem for any quasi-judicial administrative procedure. On the one hand, it is necessary to communicate with clients in language they can understand. On the other hand, communications will be subject to interpretation and reinterpretation in the quasi-judicial appellate process. So, all workers' compensation agencies face a very difficult challenge in this area.

The degree of success seems to depend to a large degree on the writer of the decision. Some Board decision letters are well written, particularly those written by staff with long tenure at the Board, or those with a higher level of education. As mentioned earlier, changes to the business model in comp services in the mid 90s created severe problems in this area. When e-file was rolled out to the WCB offices, decision letters suddenly became the responsibility of the decision-maker to type, rather than dictate. While this may not seem like an enormous difference, it certainly is if you cannot type. The use of form letters and "boiler plate" language was also discouraged by the change in technology, and decision-makers were largely left to their own devices to figure out how to deal with it. In short, the lack of staff training, implementation of e-file, and rapid staff turnover meant that the standards of the past were effectively subverted in a fairly short period of time.

There is a current Board initiative to improve claim decision letters. A successful model program has been adopted from the Alberta Board, and training sessions were provided to some 600 decision-makers in the comp services division in the last quarter of 2001. It is anticipated that this will help considerably with current communication shortcomings, at least with claimants.

Decision letters in the Prevention Division, specifically regarding orders and penalties, follow template wording and formatting. While this does not necessarily address all plain language issues, it does provide consistency. However, typing errors are reported to be numerous and indicate a lack of proofreading before the decision is sent out. According to employer sources, decisions from the Review and Penalty Department do not appear to follow any particular template or style. Further, some of these decisions are said to be difficult to understand and are unnecessarily complex.

It is also widely reported that clients want to have more personal contact. If the WCB is making a decision that will have a significant impact on an individual, it is generally felt that there should be an option for personal contact. On the other hand, WCB decision-makers sometimes have to make unpleasant decisions; and having to explain that decision to an irate client is certainly not a pleasant task, and may even put the Board employee at risk. And, of course, face-to-face meetings are time consuming and definitely interfere with decision-making productivity. As such, the choice can be between quality and quantity of decision-making. However, most service situations at the Board do not require face-to-face meetings where the situation is straightforward. Where this type of meeting is beneficial is on long-term claims where issues can become tangled and complex, expectations need to be managed, and the opportunities for miscommunication are greater.

The draft Claim Management Standards for comp services includes the suggestion that decision-makers offer to have a face-to-face visit with the claimant for all claimants who have a complex claim or will have a claim that will exceed 85 days time loss. This is a reasonable approach which will require some extra staff and management support if it is to be implemented.

d. *Do workers, employers, and the public have sufficient information and awareness about the WCB to access its services efficiently and appropriately?*

I do not believe that they do. Of course, most employers and workers are not really concerned about the WCB until such time as they have to use it or it affects them in some way. As indicated above, the WCB does provide excellent brochures and website content, so the shortcoming is in the dissemination of this information.

The average worker who is concerned about his or her claim does not know how to get additional information, or how to resolve any problems. It is reported that it is not unusual for a worker to go through the entire adjudication process without any real understanding of what is happening; and the only "direct" contact with the WCB is through mailed forms and decision letters. When workers find that they have to use WCB services and require more information, they most often turn to their union or the offices of the Workers' Advisors if they are not satisfied with the information received from the WCB.

Employers typically have a broader range of contact with the WCB than workers do. They will likely interact with the Board with regard to assessments, prevention issues, and employee claims, as well as appeals in any of those areas. Still, employers, especially smaller employers, frequently turn to the office of the Employers' Advisors for assistance.

We feel that the Workers' Advisory Office and the Employers' Advisory Office are critical to the operation of the workers' compensation system in British Columbia. These organisations perform an essential intermediary role. However, they have both been beleaguered by excess demand for their services, and the need to select the issues and/or the cases that will receive their attention. This will be addressed in Recommendations.

In addition, I believe the WCB has been handicapped by a decision taken in the early 90s which discourages proactive public advertising. While it is understandable that it would not be appropriate for the WCB to engage in extensive "image" advertising to persuade the public how good their services are, it is important that the Board pay attention to communicating its mandate to the general public. In that regard, I support the recent campaign that the Board has launched with the B. C. Medical Association to sensitise the public to back-injury prevention issues.

With regard to prevention, an increasing understanding of the complexity of health and safety risks in the workplace has made it more and more difficult for the average employer to understand the OHS regulations well enough to be confident of compliance. The most direct method for employers to obtain information on this subject would be to contact a WCB Occupational Safety Officer or Occupational Health Officer (although some employers report that even this method is not without pitfalls, as officers sometimes hold differing opinions). Due to the enforcement mandate of prevention officers many, perhaps most, employers are reluctant to access this resource.

Some employer groups would like to see a formal separation of the consultation and enforcement roles within the Prevention Division. They maintain that employers, especially small business employers, will not request consultation from Prevention Officers because of the likelihood that orders and penalties are likely to result. They therefore recommend that the Prevention Division resources be split between two offices (beginning with a 50/50 split, but working toward an 80/20 split in favor of consultation, presuming it is supported by the evidence). These could both report to the VP of Prevention, but would not have any interaction at the operational level.

Prevention Officers argue that they would be significantly less effective if they did not have the flexibility of both consulting and enforcement tools when working with an individual employer. They maintain that they are able to judge when consultation is effective, and when more "persuasion" is needed. In addition, the emerging trend of industry associations to support occupational safety and health initiatives seems already to be leading the WCB toward a more consultative approach to occupational safety and health.

e. *Are processes for resolving complaints and disputes timely, fair, and effective? Are workers and employers adequately advised of their review and appeal rights?*

Dispute resolution through the appellate process is not timely or effective. The number one complaint of worker and employer representatives is the delays in the current appeal process. The backlog at the Workers' Compensation Review Board has continued to grow over the past several years and currently represents about two years' worth of current decision output. It is not that unusual for a claim to go through all three levels of appeal and arrive back on the same WCB desk for implementation of an appeal decision four or five years after the initial adjudication decision.

I also question the effectiveness of dispute resolution since so many of the decisions of the WCRB are appealed to the Appeal Division of the WCB, and many of the Appeal Division decisions go onto Medical Review Panels. In 1991, our Administrative Inventory said, "it is difficult to conceive of a system that permits more levels of appeal than this one." (p. 151) While we have noted with approval the improving relationship between the WCB and the WCRB, concern is still warranted over the timeliness and effectiveness of the appeal process.

Workers are repeatedly advised of their Review and Appeal rights. Workers are typically advised verbally of appeal rights in any discussion concerning a denial of a claim by a Board

Officer. The worker is advised once again in the decision letter, and a pamphlet explaining appeal rights is attached. Workers are also encouraged to contact the Workers' Advisory Office if they have questions about their denied claim. Employers complain that sometimes they are copied on a decision letter to a worker, but are not advised specifically of their (the employer's) appeal rights.

Prevention Division managers receive complaints regarding orders or recommendations for penalties, and do have the power to review or reconsider a Board officer's recommendation. If the employer disagrees, he/she must go to the Review and Penalty Department and explain the details there.

It is reported that, due to the manner in which the Assessment Department is organised, it can be difficult for an employer to identify and access an Assessment Officer who has rendered a decision. Also, it is alleged that different Assessment Officers are noted for giving differing answers to employer questions.

f. *Does the WCB provide adequate training to staff in terms of client interaction and client service?*

The training of staff at the WCB is handled by the Divisions. Since the needs are so very different, and the content is relatively unique, each Division has developed its own program. Human Resources & Facilities maintains only some general "self-improvement" type courses. We will review each operating division separately.

Compensation Services

In the Vocational Rehabilitation and Compensation Services Division, as mentioned earlier, there was a minimum of staff training for a period of time in the mid to late 90s coincident with the introduction of the case management model, e-file, and the Continuum of

Care program. Beginning in 1999, the Division restored a training capacity through the Staff Training and Development Department (ST&D).

ST&D designs and delivers initial and upgrade training and supports mentoring on-the-job for the Division. Initial training for division staff includes Team Assistants, who receive three weeks of classroom training with one additional week of mentoring in class and two weeks on the floor. The Customer Service Representatives get four weeks of classroom training plus two weeks of mentoring in the classroom and two weeks on the job. The Entitlement Officers receive 9 weeks of classroom training and 8 to 10 weeks of one-on-one mentoring. The Case Managers get 14 weeks of classroom training plus 16 weeks of one-on-one mentoring.

Looking at the Customer Service Representative level (the initial level of contact for a claim), one training day is spent on customer service issues with another day on communication techniques. Topics such as "effective interview techniques," "defusing hostility," and "methods of contact" are also included in the curriculum. Similar topics are included in the other training modules.

Results from the Ipsos-Reid claimant satisfaction surveys would seem to indicate that claimants are less satisfied with the "personal" aspects of service they receive, than they are with technical issues. Presumably, this reflects the initial and ongoing training that decision-makers have received. In particular, the Ipsos-Reid claimant survey in the third quarter of 2001 gave ratings of 8.1 for "professionalism," 8.0 for "knowledge of the claims process," and 7.7 for "ability to provide the information needed." As stated earlier, we would regard these as "good" ratings. The lower ratings were for things like "familiarity with your case" at 7.1, "care and concern" at 7.2, and "providing you with individualised attention" at 7.3. Of course, the volume of claims must be factored in when evaluating these ratings of personal service.

Feedback from employers indicates that they perceive inadequate training of WCB staff in terms of client interaction and client service. Major complaints include delays in response, or no response, to telephone calls and written inquiries, rudeness in telephone conversation, and reluctance by the Board to release valuable information that may be necessary for claim management and return-to-work promotion by the employer. Employers also complain that WCB guidelines on responding to client inquiries are not generally adhered to, and are not enforced by management.

Assessment

The Assessment Department provides three weeks of classroom training on employer registration to their Employer Service Representatives (ESR). With respect to client service issues, the first day is spent discussing client interaction and client service skills. It is then discussed on a daily basis as it applies to each new topic introduced, or particular decisions that need to be made. Four to six weeks of mentoring follows with the mentor observing the trainees work and providing feedback. A period of four to six months working on the registration phone queue follows the training and mentoring.

When appropriate, the ESRs receive three additional weeks of classroom training on making changes to existing employer accounts. Client service issues are discussed on a daily basis as they apply to each new topic introduced or decisions that need to be made. Again, this is followed by four to six weeks of mentoring where the mentor checks the trainee's work and provides feedback on the information given and the approach taken. The department also provides a one-day workshop for all staff with client contact on "dealing with difficult client interaction."

Feedback from employers indicates that assessment staff members appear to find it difficult to "disown" the decisions that they make. Staff members are reportedly reluctant to apply policy where it appears that the Board made an error and there may need to be a change, particularly a retroactive refund that may be appropriate. Employers express dissatisfaction with the tone and demeanor of some auditors, citing a reluctance to assist the employer in reconciling the information to settle the books. Audit managers are said to generally endorse staff decisions, rather than trying to deal with the employer's complaint.

Prevention

In the Prevention Division, new officers undertake training that covers several months including classroom work, field work, and mentoring. The schedule does provide for "outcomes of investigation skills" when the topic of WCB Authority is dealt with (two hours), "officer protocols and note-taking techniques" when Compliance is discussed (one hour), "communication skills workshop" (three hours), and "introduction to interviewing and investigation workshop" that lasts one hour. This does not seem sufficient at first glance, but a detailed review was not available.

Feedback from employers indicates that client interaction and service quality appear to be very much officer dependent. Some negative patterns are seen in new officers and with some officers who became part of the system before positive client interaction was seen as an essential skill. Employers raise complaints of hostility, threats, power struggles, and a "fear factor" with some officers. Employers also complained that some officers refuse to provide practical advice or information on a particular hazard in the workplace, and instead advise the employer to "look it up" themselves in the Regulation. This obviously does not reflect a customer service orientation.

We conclude that the WCB does not provide adequate training to staff in terms of client interaction and client service. This subject will be treated again in Recommendations.

EFFICIENCY

> a. *Are current organisation and service delivery models the most efficient available, and in keeping with best practices? Will current initiatives improve service delivery and meet the future needs of stakeholders? If not, what changes should be made to increase the level of efficiency while maintaining high levels of quality service?*

Efficiency can take different forms, depending upon the perspective. To an injured worker, efficiency means how quickly the system can restore his or her lost income stream. To an employer, efficiency has more to do with the administrative costs of the system. We will examine both aspects in a comparative context, since there is no absolute standard of efficiency.

Administrative Costs

There are several relevant measures of efficiency that have been used in workers' compensation systems. Perhaps the most straight-forward is the administrative costs per claim. Since WCB administrative costs have grown over the past 10 years, while new claim volume has not, this might indicate that efficiency has declined. On average, WCB administrative costs per claim processed have grown by 5.5 percent per year. (see table A-1)

However, it is clear that several things have changed over this period. First, the administrative costs of the WCB cover a great deal more than just processing claims; they include most WCB prevention and rehabilitation activities, as well as the costs of the appellate system. Second, as discussed earlier, the average complexity of claims has grown considerably over the past decade in British Columbia, as has the average duration of disability and average compensation paid. Third, there is an increasing "backflow" of claims processing from appellate decisions. It has been estimated that there are approximately 4,000 such claims which come back to a decision-maker's desk for implementation each year.[2] These are the most complicated and most contentious of the WCB claims, and can therefore be regarded as having at least two or three times the "adjudicatory burden" of an initial claim. Fourth, since there is no "finality" to workers' compensation claims in British Columbia, there is also an unknown but growing burden of "reopenings" for claims where the circumstances have changed and the decision-maker must reacquaint him or herself with the facts of the case.

These would all be expected to lead to an increase in administrative costs. In fact, WCB administrative costs per dollar of claim cost have declined over the last decade (at 2.3 percent per year). But this same administrative cost trend is observed in other jurisdictions as well. So one should be careful in assigning causation; perhaps there is something going on at a societal level that is influencing the measurement. One example might be a greater tendency to litigiousness which certainly could be expected to impact administrative costs in a workers' compensation system.

Figure 2.17 shows that according to comparable data compiled by the Association of Workers' Compensation Boards of Canada (AWCBC), the WCB of British Columbia is doing pretty well. Lower administrative costs per lost-time claim are apparent in Manitoba and Prince Edward Island, with higher costs in Alberta, Ontario, NorthWest Territories, and the Yukon. Administrative costs roughly comparable to B.C. are found in New Brunswick, Newfoundland, Nova Scotia, Quebec, and Saskatchewan.

Moving to an aggregate system measure, WCB administrative costs have grown slightly more slowly than assessable payrolls in British Columbia over the last decade. Thus, the assessment burden of administrative costs, when related back to payrolls, has declined by about one percent per year. In a comparative sense, figure 2.18 shows that British Columbia's administration costs per $100 of payroll were roughly comparable to other Canadian jurisdictions in 2000.

---

[2] Personal communication from T. Bogyo.

Terry Thomason and John F. Burton, Jr. have done an analysis of workers' compensation benefits and costs in British Columbia and Ontario and matched it to their work on U.S. jurisdictions. In general, they found that statutory benefits for injured workers in B.C. and Ontario were substantially better than in the U.S., and costs to employers were substantially lower.[3] Figure 2.19 shows their aggregate system cost findings for the 20-year period from 1975 through 1995. It shows that B.C. assessment rates have been substantially below Ontario and the U.S. average since the mid 80s, with Ontario catching up after their reforms in the early 90s.

In an expansion and refinement of this work funded by the Workplace Safety and Insurance Board of Ontario, Thomason and Burton compare the "relative efficiency" of the delivery systems in 45 U.S. states, Ontario, and British Columbia. Controlling for the generosity of cash and medical benefits, the incidence of long-term disability claims, coverage issues, the underlying injury rate, union density, and other relevant variables, they find British Columbia to be the most efficient workers' compensation system in North America by a considerable margin. (Thomason and Burton, 2001)

Unfortunately, more recent trends are not available for U.S. jurisdictions. However, figure 2.20 shows the average benefit cost per lost-time claim for Canadian jurisdictions in 2000. This indicates that B.C. benefit costs are above average, while figure 2.21 shows that the average assessment rate was about average, or slightly below, among Canadian jurisdictions in the year 2000. Our conclusion is that the B.C. system is efficient and generally in keeping with best practices in North America.

---

[3] See Thomason and Burton (2000).

Timeliness

Efficiency is also indicated by the ability of a workers' compensation system to restore an income stream to injured workers swiftly. The WCB paylag statistic was discussed under the quality of adjudication earlier. But it is appropriate to review it in comparative perspective here to inform the question of efficiency.

Figure 2.22 shows the paylag performance of the Canadian jurisdictions, measured from claim registration to date of issuance of the first check. Saskatchewan demonstrates the shortest paylag, at 15 days, followed by B.C. at between 16 and 17 days. Alberta trails B.C. followed by Manitoba, Newfoundland, and Nova Scotia. Ontario, New Brunswick, and PEI bring up the rear. This is the truest measure of administrative efficiency as it only includes the processing time of the WCB, and not the reporting lags which will also impact the system delay experienced by the worker.

Figure 2.23 shows the actual time elapsed from date of injury to first payment issued. This is a more stringent measure because it includes delays in reporting the injury to the WCB (registration), but it would be a more realistic measure of the time that an injured worker has to wait for his or her check. Again, B.C. is near the front of the pack among Canadian jurisdictions at about 25 days on average.

Current Initiatives

Efficiency may be relatively easy to measure, but it is not a simple matter to balance efficiency with quality. As was discussed earlier, it is our judgment that the B.C. system has suffered on the quality of adjudication dimension in the last few years. These quality problems stemmed from a business model change in the comp services division, together with some accompanying process changes that appear to have been correlated (especially the closing of the

Technical Education Center, but also the down-sizing of the Vocational Rehabilitation Department, e-file, the adoption of the Continuum of Care, and other changes).

The Division began to discuss the quality of adjudication about the time of the development of the first WCB Strategic Plan in April 1996. A "Quality Management Discussion Paper" was drafted for internal discussion in the fall of 1996, and the division began to work with consulting firm KPMG late in 1998. The initial focus of this work appears to have been on the possible certification of quality under one of the several international quality systems available.

During 1999, along with an excellent analysis of the problem by a former Division manager acting in a private consultative capacity, the Division developed an "Adjudication Quality Initiative." This multifaceted strategy was approved by the Panel of Administrators in January, 2000. The Division began to deploy Case Managers dedicated to quality improvement in the SDL offices. They also developed Claims Management Standards Guidelines (see Appendix B) by which to assess their performance and guide needed improvement. Apparently due to budgetary restrictions and competing priorities at the WCB, this effort proceeded slowly during 2000 and 2001. The "internal consultant" was brought back for an analysis of progress late in 2000.

However, this effort was effectively suspended in summer 2001 when the "desk needs" for adjudication overwhelmed WCB capacity. Divisional management felt that it was demoralising and counter-productive to devote staff to quality improvement when the division couldn't even get the basic decisions made and out the door. Meanwhile, the focus of the division seems to have moved on to the Early Appeals Intervention Project, which promises a quicker financial payoff.

My judgment is that these efforts will not solve the "quality problem." They do not constitute a fundamental shift of attitude at the WCB, and I do not believe they address the deficit in training that was created by the last administration. This reviewer is satisfied that the WCB is doing at least an "average" job of adjudication, when compared to other WCBs across Canada. But they have not yet made the commitment to excellence in service quality.

> b. *Does the current system provide an adequate focus on delivery of core services? Can organisational complexity be reduced to deliver these core services in a more efficient manner?*

Compensation Services

I believe that the current system does provide an adequate focus on delivery of core services. During the last half of the 90s, the comp services division under its case management model, moved to accept all claims that may have some basis, and then attempt to manage claims to a conclusion from this point. This was a serious mistake, especially when combined with the virtual cessation of training, the introduction of e-file and the continuum of care, and the staff turnover that occurred subsequent to the change. However, I believe that the current administration of comp services has returned to basics and is seeking to remedy the faults of the past.

Further, I feel that, if anything, there has been too much focus on efficiency. It was the drive for efficiency that led to the adoption of e-file and the redesign of the job structure in comp services. And it is not complaints about efficiency, but quality of adjudication, which have been the focus of stakeholder complaints the past few years.

Prevention Division

Prevention's mission is to prevent injuries to workers. In recent years, the major performance indicator has been simply the overall work-related injury rate (claim rate) in the Province. This has helped to change the focus from process to outcomes in the Prevention Division. It has also been associated with a reorientation of the Division from a regulation and compliance orientation to a more consultative, systems-oriented approach. This appears to be a success as indicated by the falling injury rate and the demand by employer groups for even more consultative resources.

Figure 2.24 from the AWCBC shows the OHS costs per $100 of payroll in Canadian jurisdictions. It indicates that B.C. is in the middle of the pack in terms of safety and prevention costs. Costs are higher in Quebec, Ontario, New Brunswick, and Newfoundland; they are lower in Alberta, Nova Scotia, Manitoba, PEI, and Saskatchewan. We are not familiar enough with the programs in these jurisdictions to make meaningful comparisons beyond this gross level.

The Prevention Division has always had a geographical orientation, which is dictated by the necessity of actually visiting employer sites to conduct inspections and other appropriate interventions. This continues, but with an overlay of industry specialists developing within the geographical locations. In our opinion, this promises to produce a significant increase in quality and effectiveness of prevention services, but likely at the expense of efficiency in the sense of cost per unit of service.

Some employer groups are calling for splitting the consultation and enforcement roles of the division. The rationale is that employers will not voluntarily call on Board personnel to consult on OHS issues when they are thereby put at risk for potential orders or penalties, should the "consultant" find significant safety violations. We do not believe this is a good idea. It would increase organisational complexity and, in the face of severe geographical constraints, stretch WCB staff even more thinly across the Province. We believe the perceived problems can be overcome with a better-trained and more effectively managed inspectorate and a more informed employer community. The division is working on both these fronts at present. We would wait until the outcome is clear before considering more "radical" alteration of the division.

Assessments

We do not have comparative numbers from other jurisdictions to make evaluations of efficiency in the Assessment Department. Our impression is that efficiency and quality have declined through the transition to the Employer Service Center strategy. However, this new strategy is built upon the expectation that the internet will play a larger and larger role in business communications in the future. Unfortunately, the experience of compensation services does not give one confidence that a "technological solution" to service problems will prove productive. However, the fact that assessments are dealing primarily with financial data and obligations, rather than adjudication of entitlements, gives us some hope that the transition will be completed efficiently. The unmet service needs of employers will have to be resolved fairly quickly though, or a fundamental level of confidence in the Assessments Department will be lost.

ACCOUNTABILITY

a. *Are current service performance measures and reporting mechanisms appropriate and effective?*

The WCB, with stakeholder input, has developed a system of Key Performance Indicators (KPIs) that cover the critical performance dimensions for the agency. They cover system outcomes, business process measures, and stakeholder satisfaction measures. Of necessity, the performance indicators are division specific and each division utilises a wider array of process-oriented measures to monitor their performance internally. This is a huge improvement over the process-oriented measures that were dominant just a few years ago.

The WCB Division of Finance and Information Systems has also developed a risk management system that guides WCB and divisional management to critical "pressure points" that need to be addressed. This might mean a realignment of existing operational resources, or the development of new policy and procedure as particular issues emerge. This work is informed by the developing Electronic Data Warehouse, which includes claims data, prevention data, and assessment data in one unified database.

This type of analytical work has long been needed at the WCB. We called for more research and evaluation in support of WCB policy in our 1991 and 1996 administrative inventories. The Risk Management Department appears to be making a start on this task. With the integrated data warehouse supporting effective policy analysis, the WCB can start to "take control of its destiny" in the way we referred to in 1996. (Hunt, et al., p. 264)

Our one concern is that many of the Key Performance Indicators are really outside the control of the WCB, or may actually be in conflict with each other. One example is claim frequency. If structural changes in the economy (conversion from resource-based to service-oriented jobs, for example) are driving down claim frequency, it may appear that good progress is being made in prevention when this is simply an artifact of the structural change.

On the other hand, it has been observed in private firms with outstanding disability management programs that it is the marginal claims that are easiest to impact with disability management techniques. They will be reduced in duration, or even disappear from the system entirely. But if those claims are eliminated, average duration is going to rise since the serious claims will likely continue as before. So, pursuit of claim frequency reduction through disability management could actually lead to duration increases. The WCB needs to carefully review the "performance" of their performance indicators to insure that they are leading them in the right direction.

Whether such measures are "effective" means seeking confirmation of the old saying that "what gets measured gets done." The real test of a performance indicator is how much it influences ultimate performance. Unfortunately, I do not think there has been enough experience yet to determine whether the KPIs of the WCB are actually effective. They seem to be measured appropriately, but it is too early to say whether they will actually focus the attention and energy of the staff, management, and stakeholders on the problems they illuminate.

b. *Are appropriate mechanisms in place to ensure service standards and key performance indicators are tracked and met? Are appropriate benchmarks established and tracked?*

The Panel of Administrators provides oversight and review of WCB performance on a monthly basis. WCB management and the Ministry of Skills Development and Labour also receive the KPI report monthly. As detailed earlier, in Section 1 of this report, appropriate benchmarks from external sources do not exist. Some of the very limited comparative data from other WCB systems has been presented in this section. There is virtually nothing useful coming out of the U.S. at this point, and while Australian systems are cooperative in reporting data, they show too much divergence in structure to provide effective benchmarks for the rest of the world.

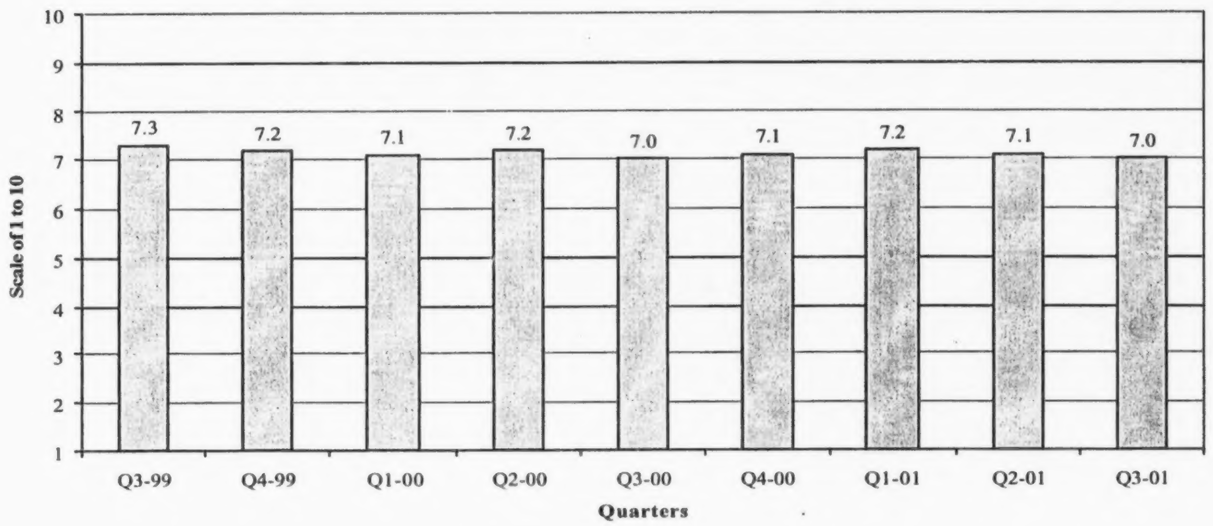
Thus, the WCB must primarily use its own historical performance levels to gauge its progress in improving performance. This implicit "continuous improvement" model seems appropriate for the WCB. Workers' compensation systems have so many unique characteristics that it will be a long time before reliable universal performance measures are available. In addition, and in consideration of the recommendations of the B.C. Progress Board, we believe that the WCB should endorse the goal of becoming the first or second best workers' compensation agency in Canada for those dimensions of performance that can be assessed in a comparative framework. We also urge the WCB to continue its leadership role at the national (AWCBC) and international (IAIABC) levels in seeking to standardise performance measurement across different workers' compensation agencies.

> c. *If not, what changes should be made to ensure the ongoing accountability of the WCB for fair, responsive, and timely delivery of service to workers, employers, and the public?*

The Board has established performance indicators to measure quality and quantity of service delivery, with the input of the Practice Forum which includes stakeholders. But it is vitally important that stakeholders have confidence in the performance evaluation process. In the B.C. environment, this probably dictates that stakeholders should have some active involvement. The WCB might consider a system performance committee consisting of those delivering the service (WCB management and staff), those receiving it (workers and employers), and other stakeholders (government and possibly representatives of relevant Crown corporations). We would site this operation in the Policy Bureau as it is experienced with managing stakeholder deliberation and is staffed to provide the analytical support that will be needed. The committee would review system performance measures and certify the performance of the WCB to the governing body and to the citizens of the Province. It would also recommend further development or improvements in the performance measures as needed.

This constitutes our response to the Terms of Reference. In the next section, we will draw on this material, as well as our observations and impressions, to put forth a set of recommendations for improving the service delivery quality of the workers' compensation system of British Columbia.

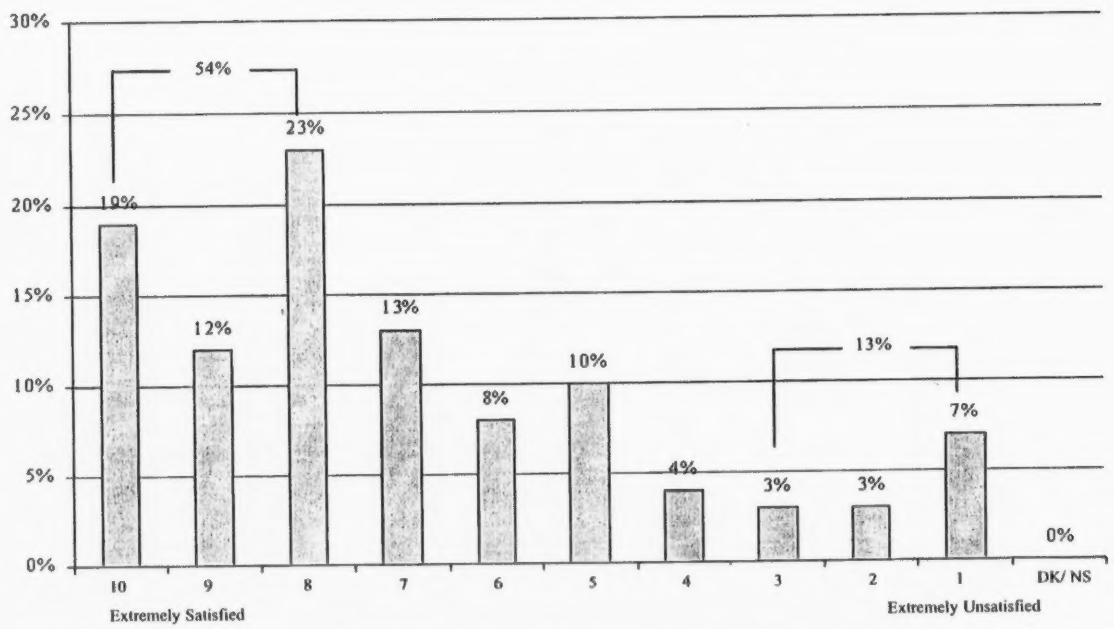
Figure 2.1 Overall Claimant Satisfaction with WCB Service*



*Now thinking of all aspects of the WCB through your claim process, how would you rate your overall satisfaction using a scale of 1 to 10 where 10 means "Extremely satisfied" and 1 means "Extremely unsatisfied?"

Source: Ipsos-Reid Client Satisfaction Survey Report, Third Quarter 2001

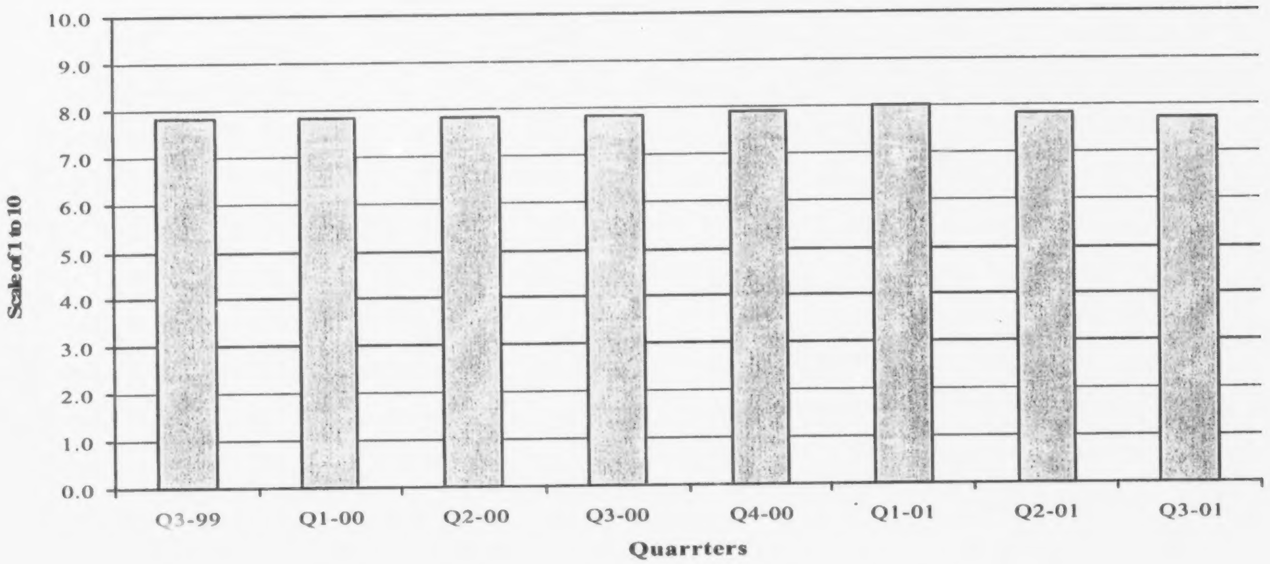
Figure 2.2 Overall Satisfaction*



*Now thinking of all aspects of the WCB through your claim process, how would you rate your overall satisfaction using a scale of 1 to 10 where 10 means "Extremely satisfied" and 1 means "Extremely unsatisfied?"

Source: Ipsos-Reid Client Satisfaction Survey Report, Third Quarter 2001

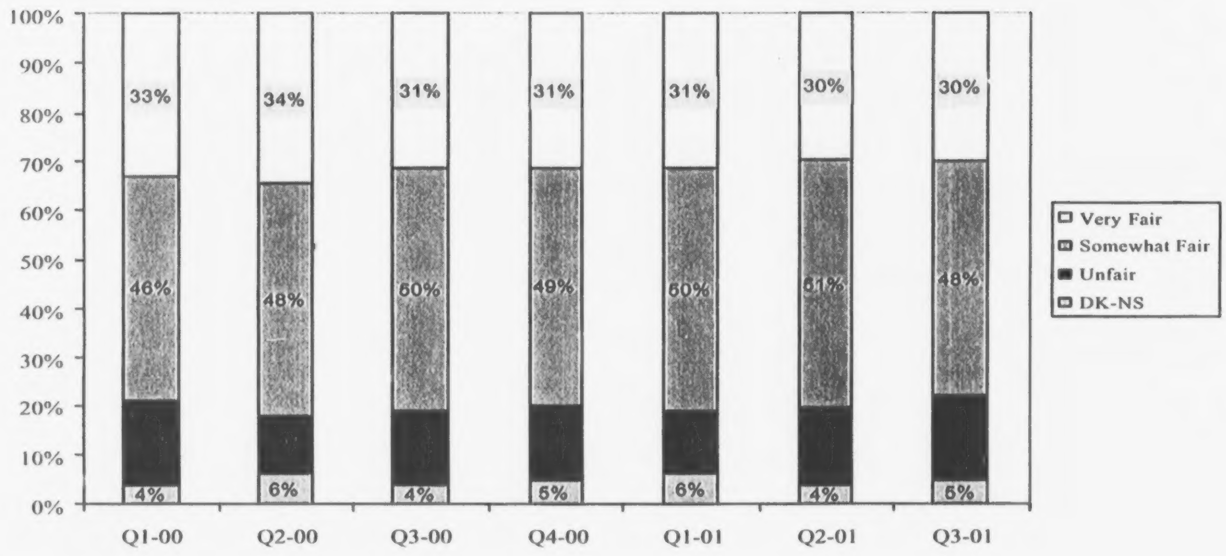
Figure 2.3 Overall Service



Source: Ipsos-Reid Client Satisfaction Survey Report, Third Quarter 2001

Figure 2.4 Fairness of WCB Policies & Procedure*

*Non-voc-rehab respondents only



*Would you say that the WCB policies and procedures are . . . ?

Source: Ipsos-Reid Client Satisfaction Survey Report, Third Quarter 2001

Figure 2.5 Short Term Disability Timeliness & Income Continuity (Average Timeliness)

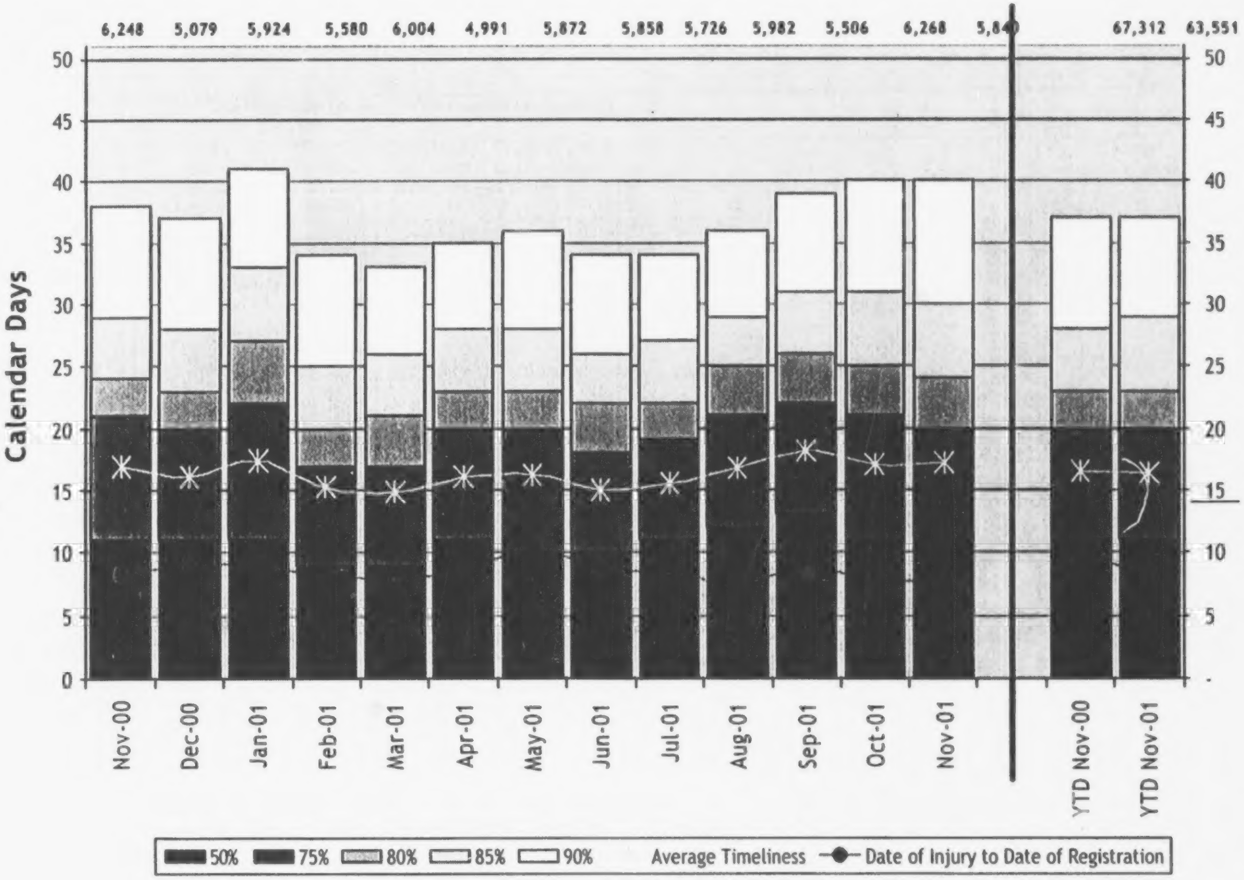


Figure 2.6 Timeliness for Functional Awards

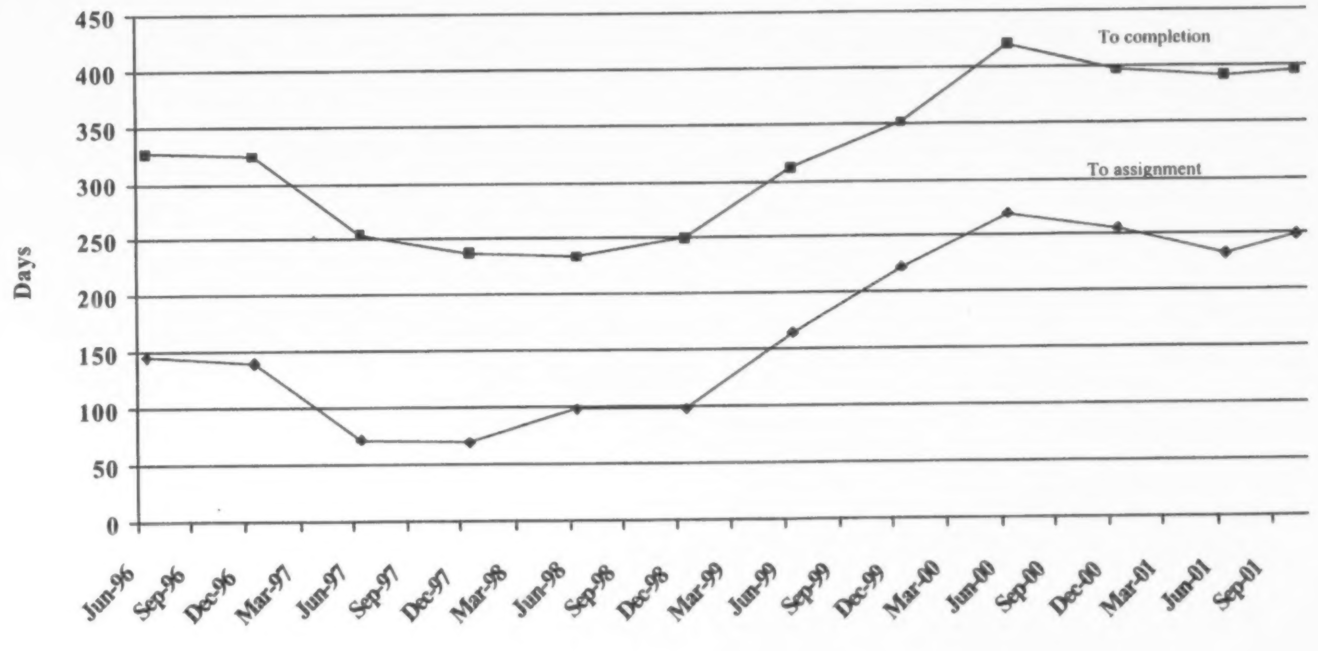


Figure 2.7 Timeliness for LOE Pensions

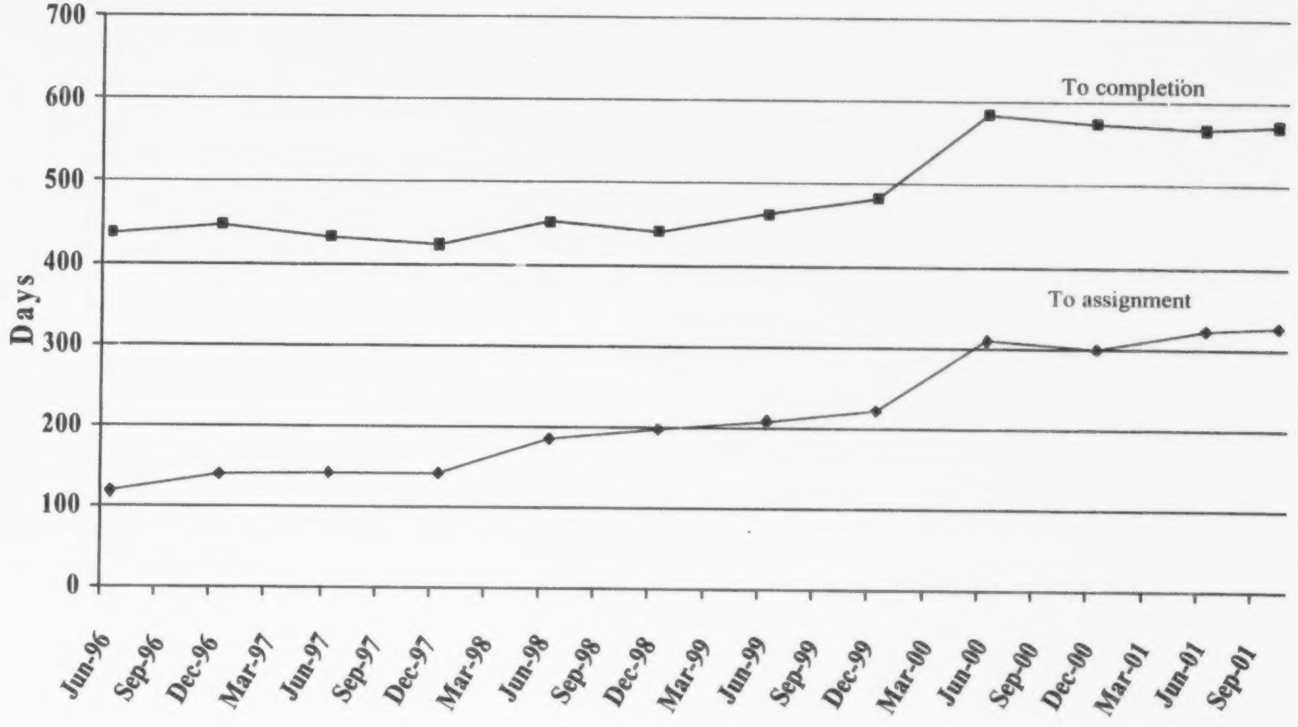


Figure 2.8 Timeliness for Appellate Returns

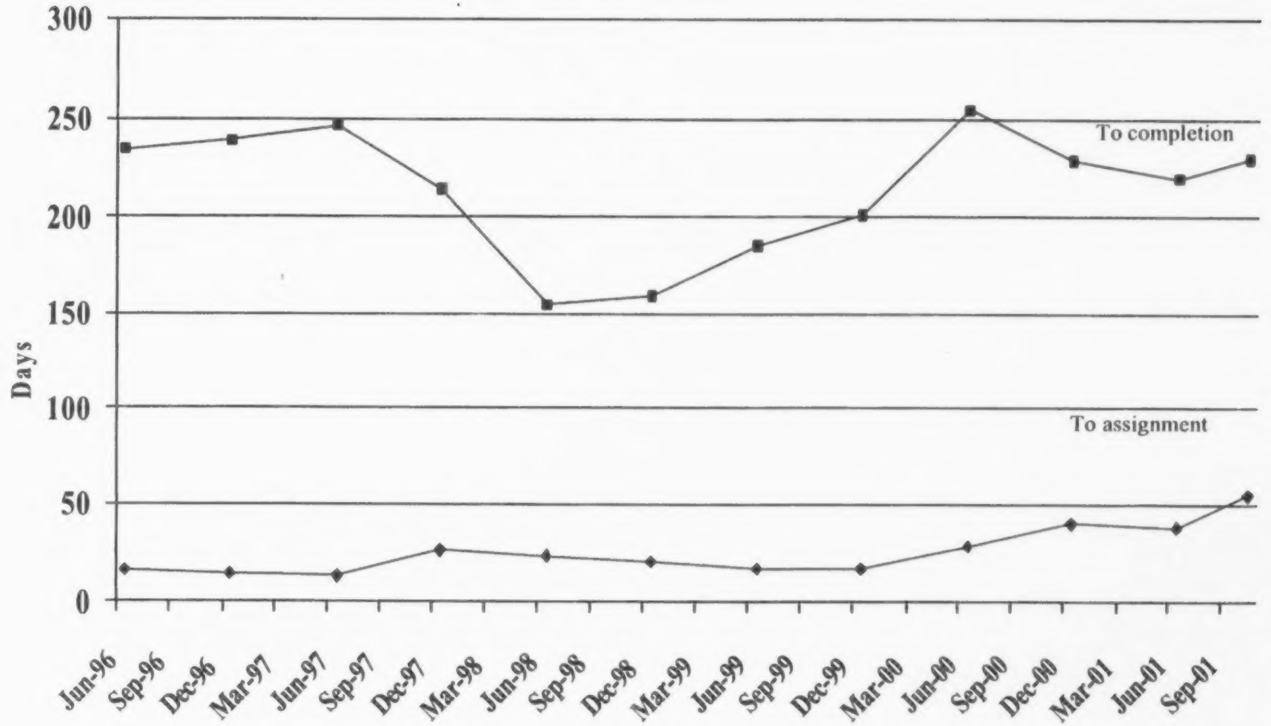


Figure 2.9 Vocational Rehabilitation Services Pay Claim Counts 1994-2001

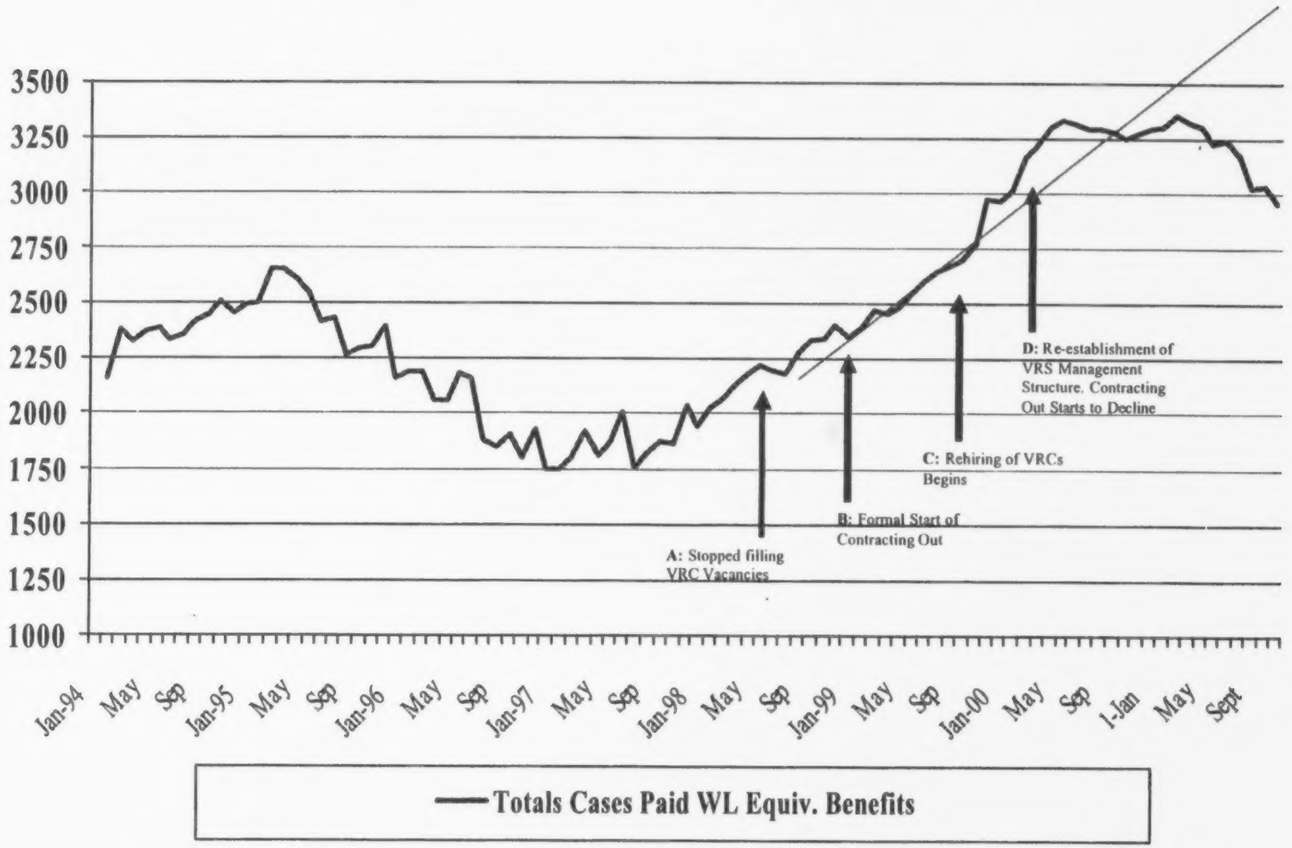


Figure 2.10 Timeliness/Volume

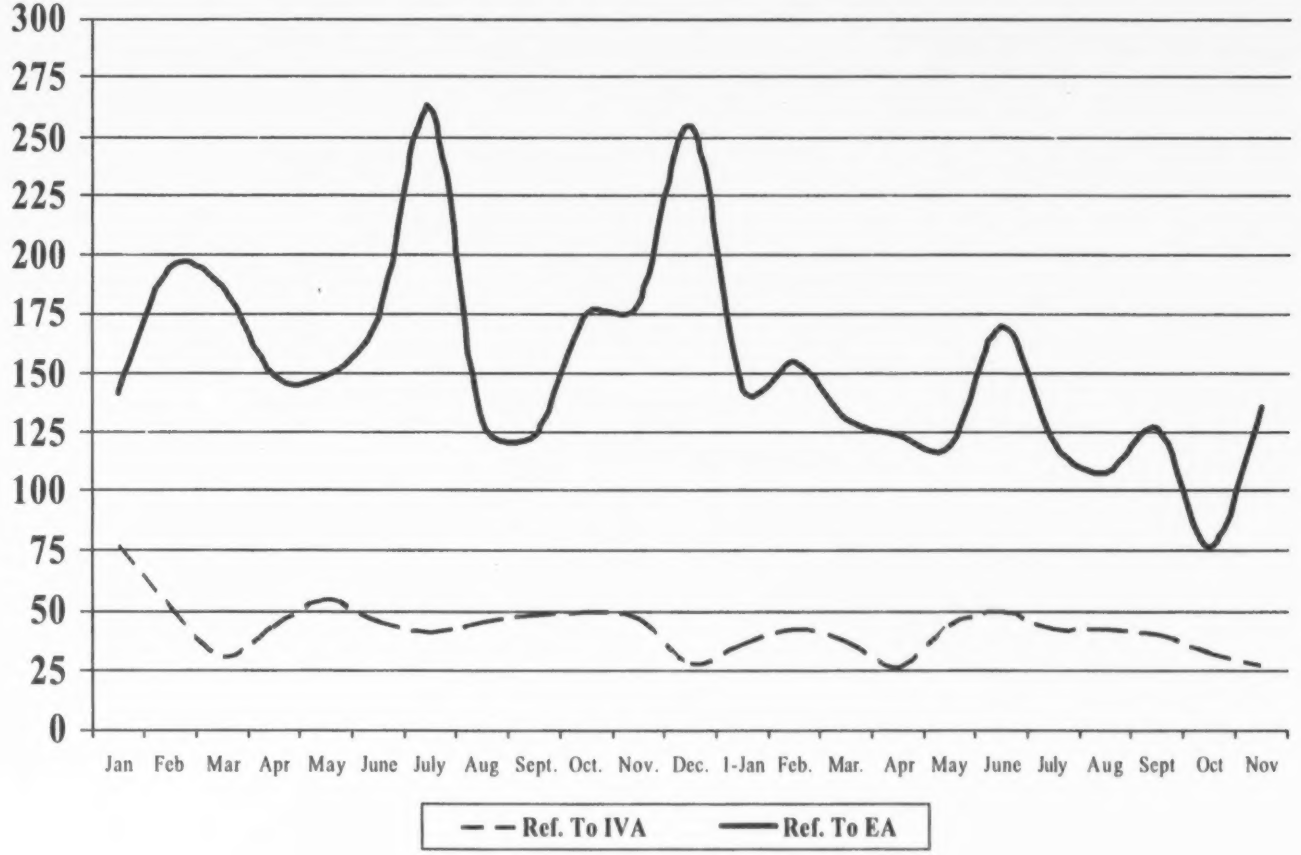


Figure 2.11 Office Totals, Gross Expenditures per Month (in 000's)

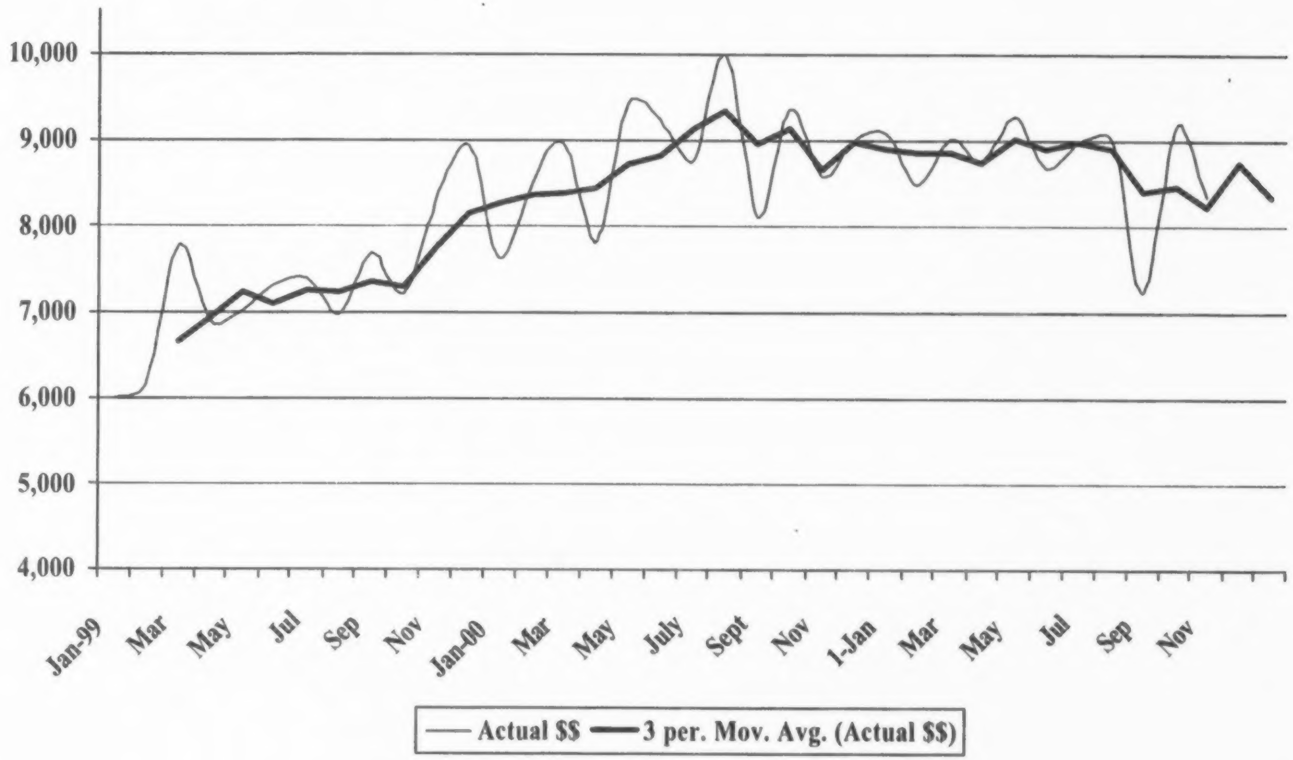
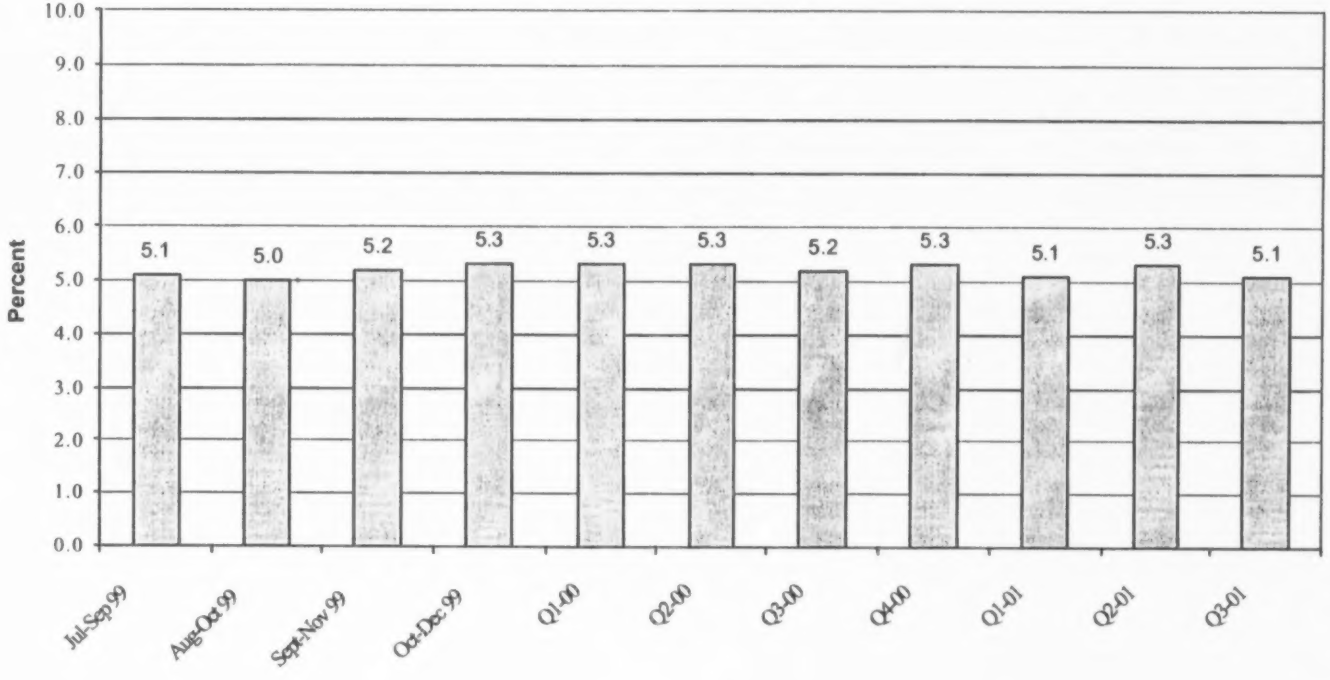
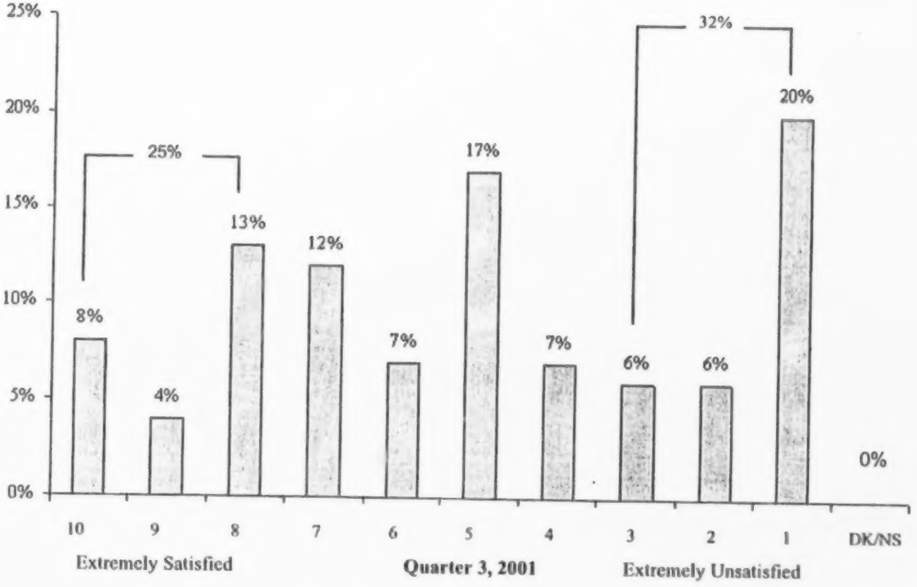


Figure 2.12 Claimant Satisfaction with Vocational Rehabilitation Services



Source: Ipsos-Reid Client Satisfaction Survey Report, Third Quarter 2001

Figure 2.13 Overall Satisfaction



•Now thinking of all aspects of the WCB through your claim process, how would you rate your overall satisfaction using a scale of 1 to 10 where 10 means "Extremely satisfied" and 1 means "Extremely unsatisfied?"

•Source: Ipsos-Reid WCB Client Satisfaction Survey Report, Third Quarter 2001

Figure 2.14 Incoming Calls to the Service Centre

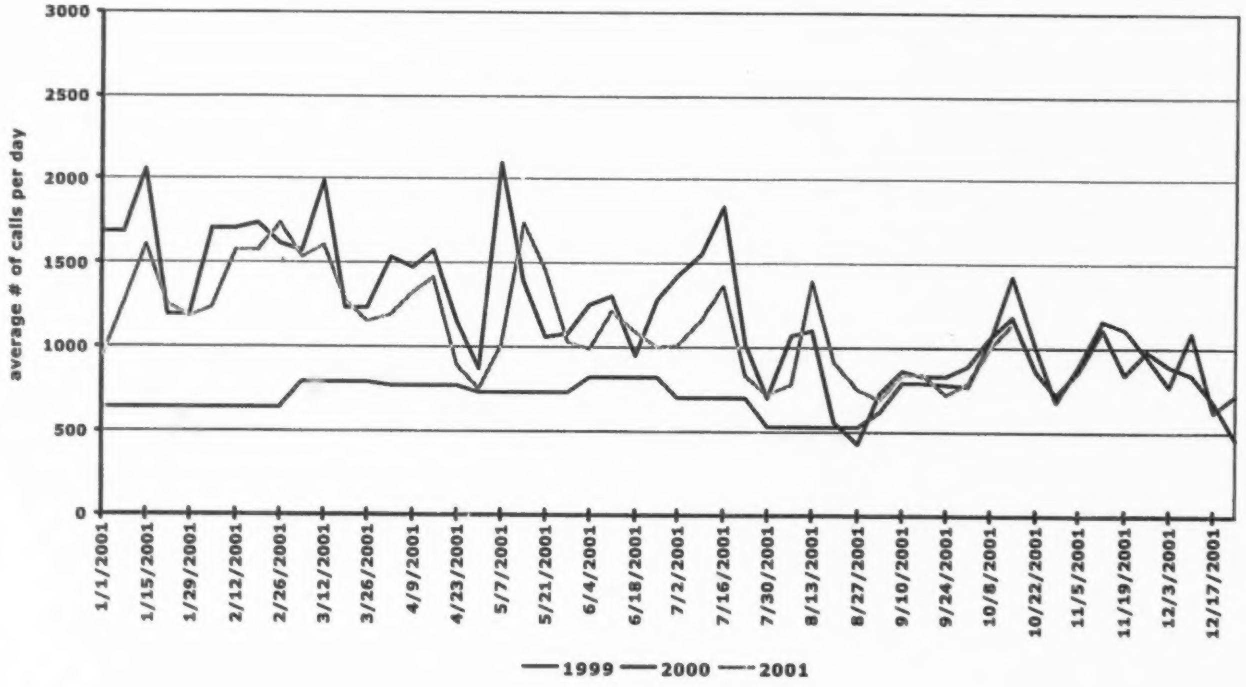
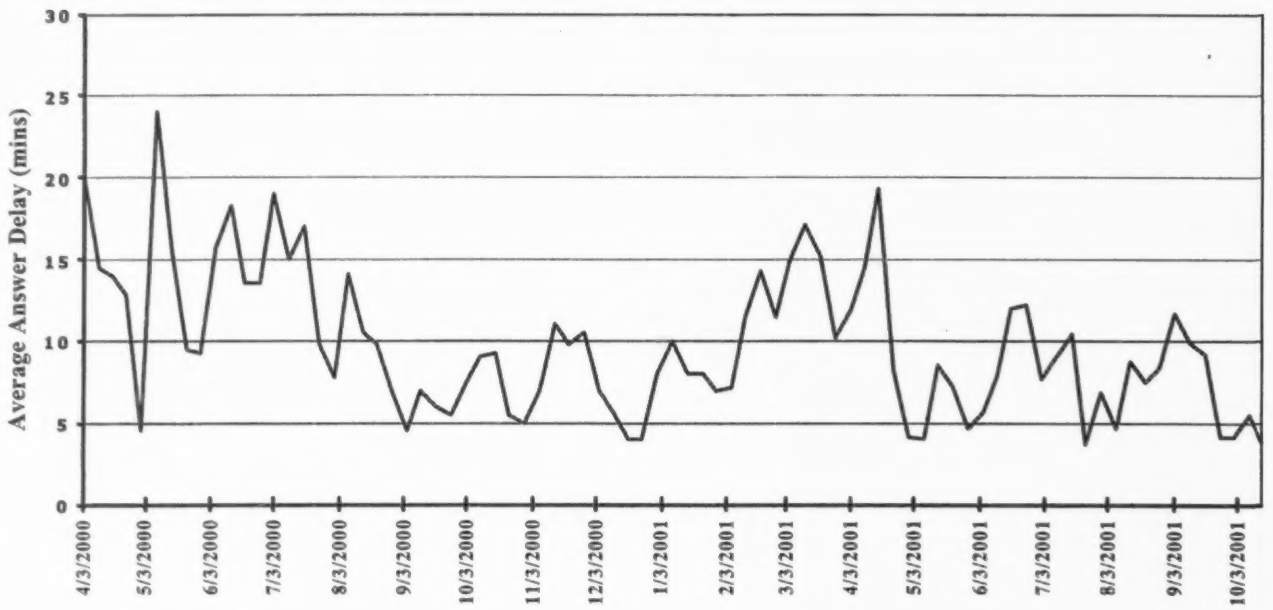
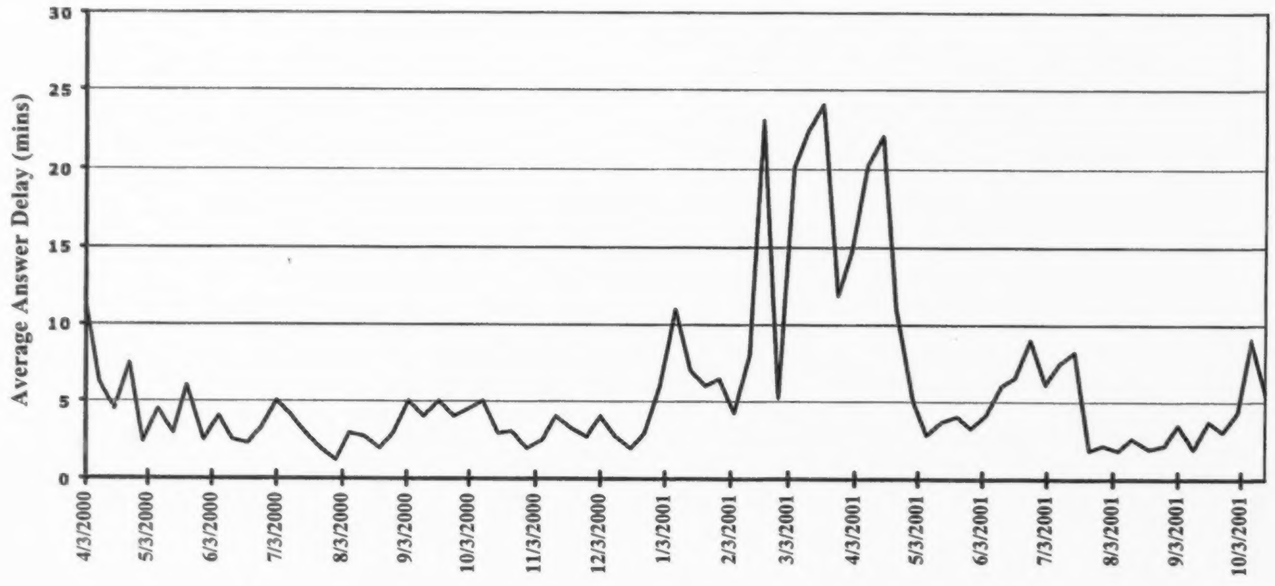


Figure 2.15 Average Answer Delay Results – Account Maintenance



Source: WCB Assessment Department

Figure 2.16 Average Answer Delay Results - Registration



Source: WCB Assessment Department

Figure 2.17 Administrative Costs Per Lost-Time Claim, 2000

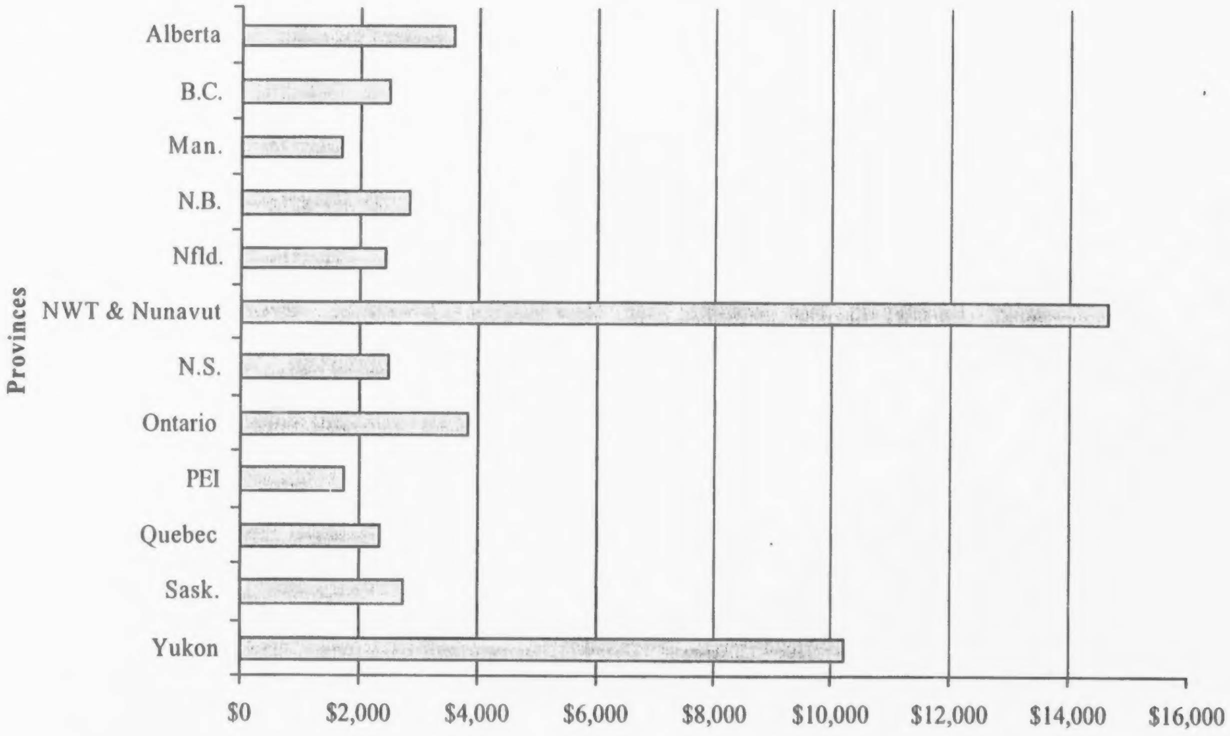


Figure 2.18 Administration Costs Per $100 of Assessable Payroll, 2000

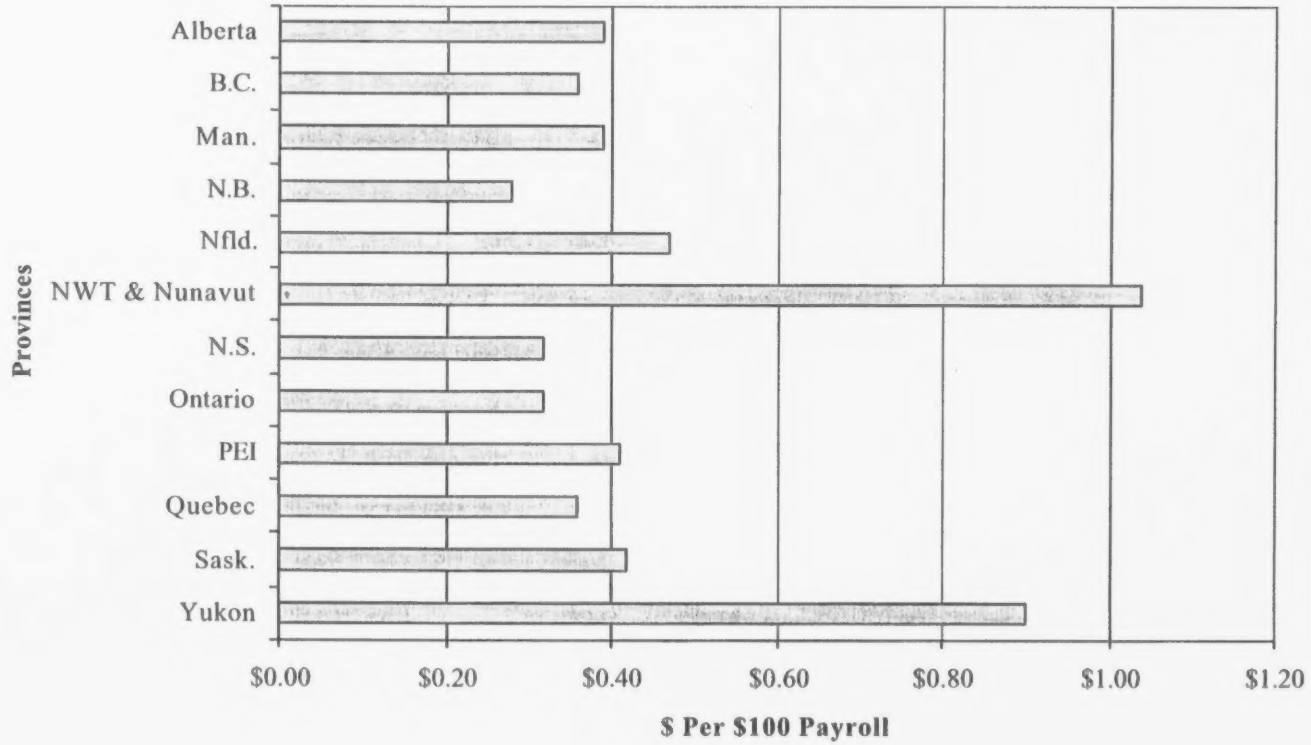
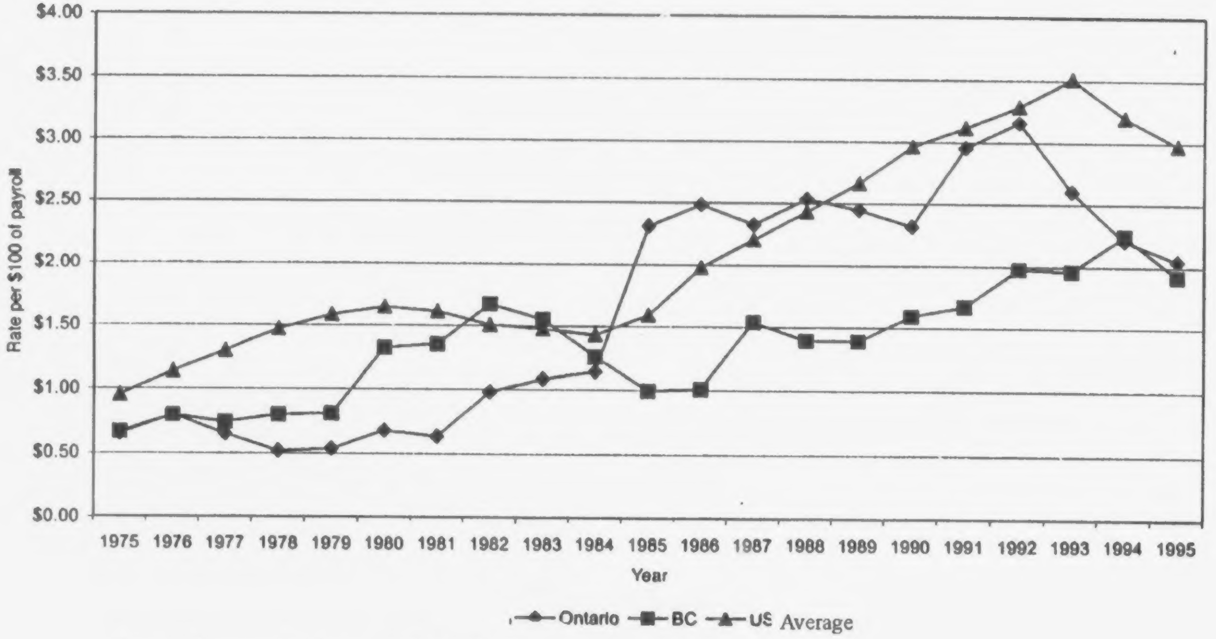
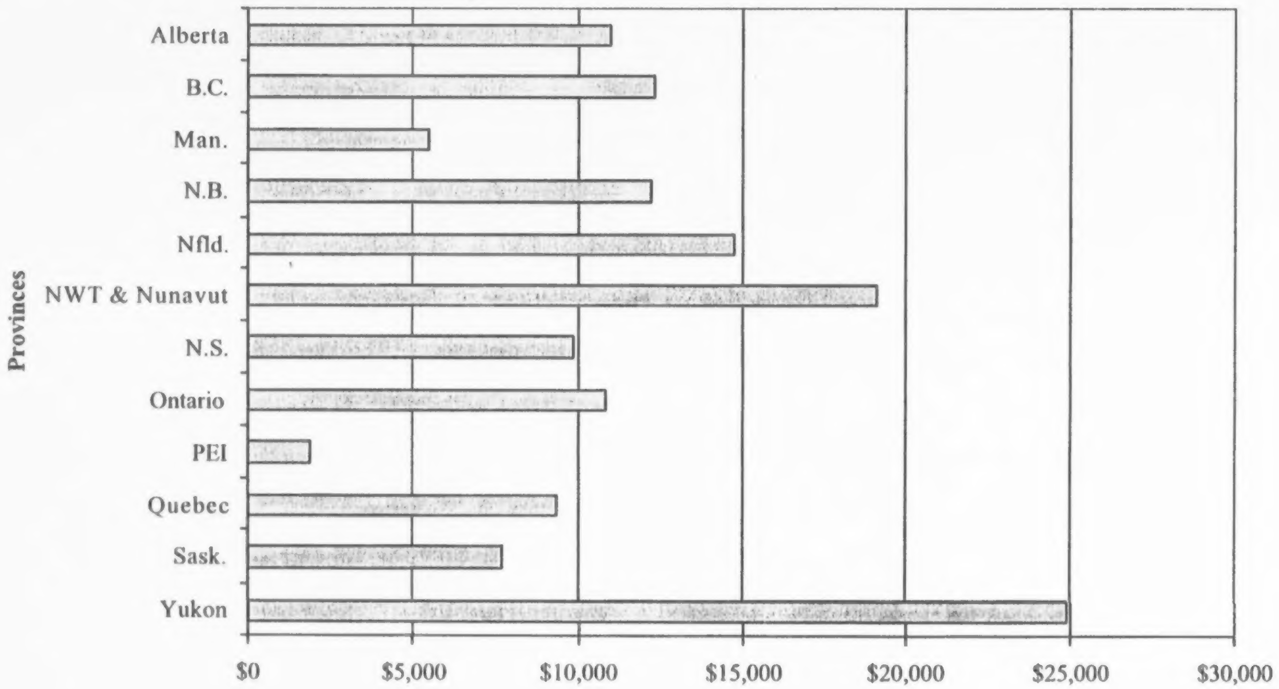


Figure 2.19 British Columbia, Ontario, and U.S. Average Assessment Rates, 1975-1995



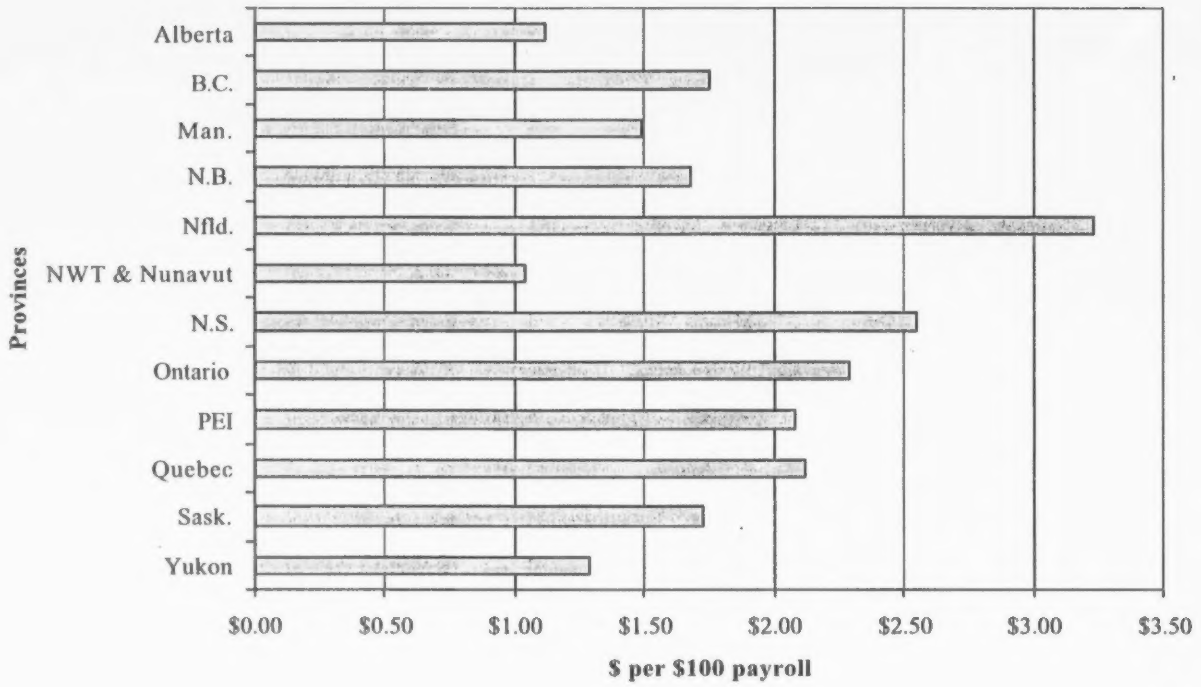
Source: Thomason and Burton, 2000, p. 275.

Figure 2.20 Current Year Average Benefit Cost Per Lost-Time Claim, 2000



Source: AWCBC

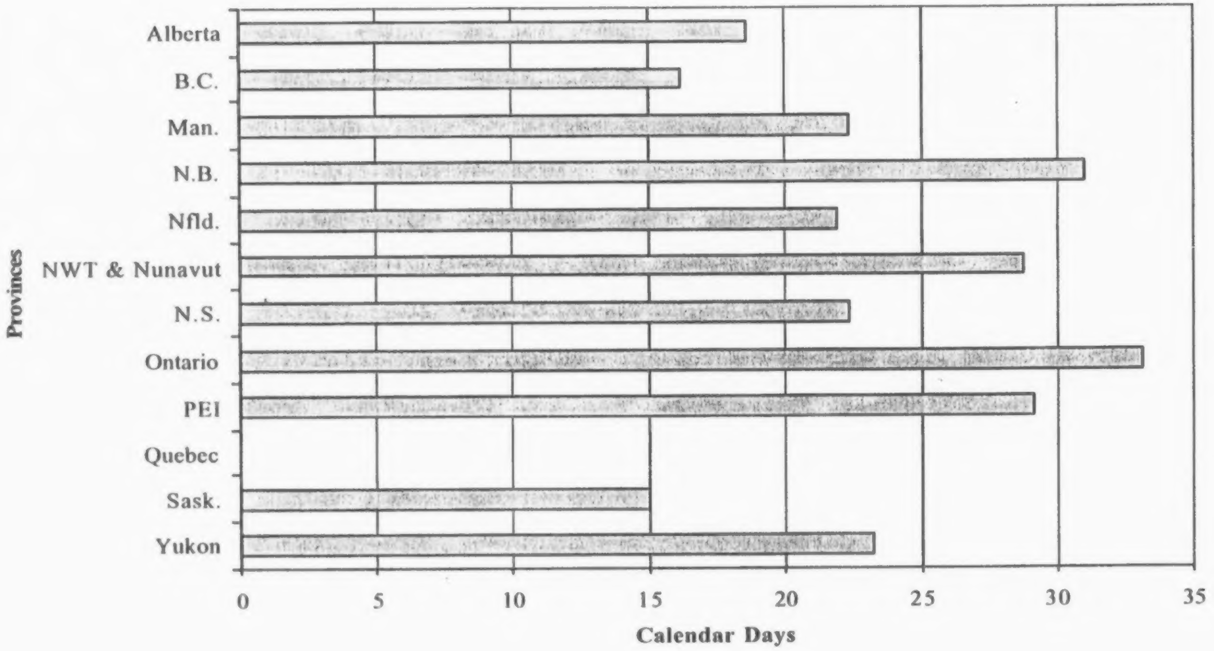
Figure 2.21 Actual Average Assessment Rate, 2000*



*Applies to rate assessed (assessable) employers only. Excludes self-insured employers.

Source: AWCBC

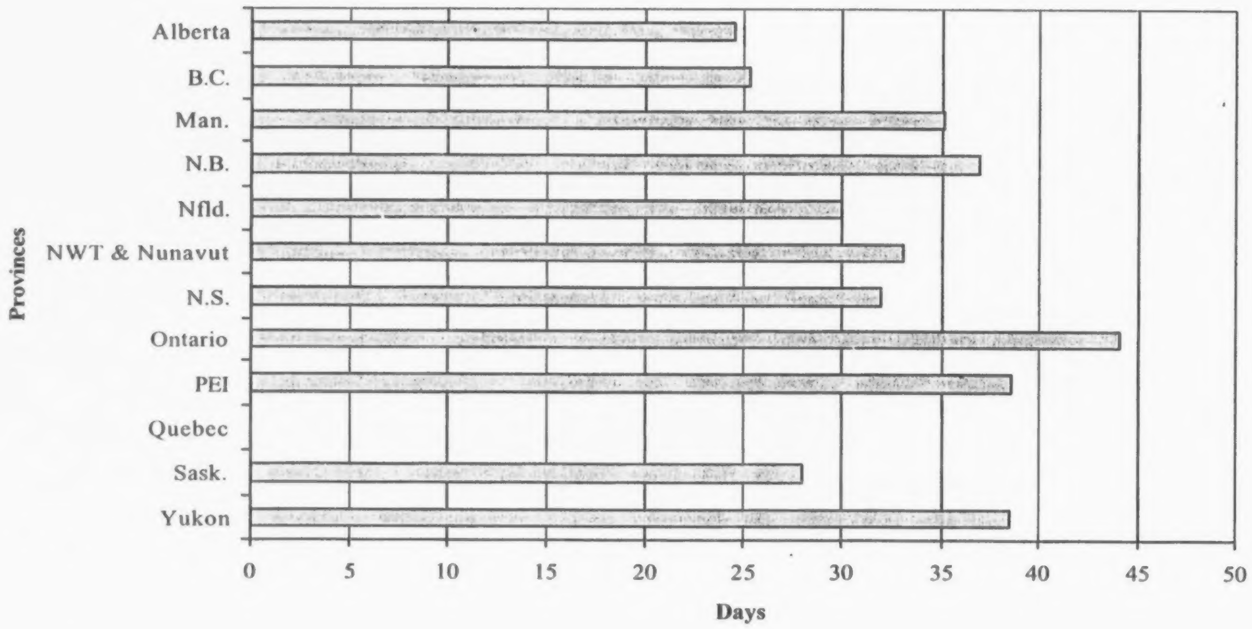
Figure 2.22 Average Calendar Days from Registration to First Payment Issued



Note: No data available for Quebec.

Source: AWCBC

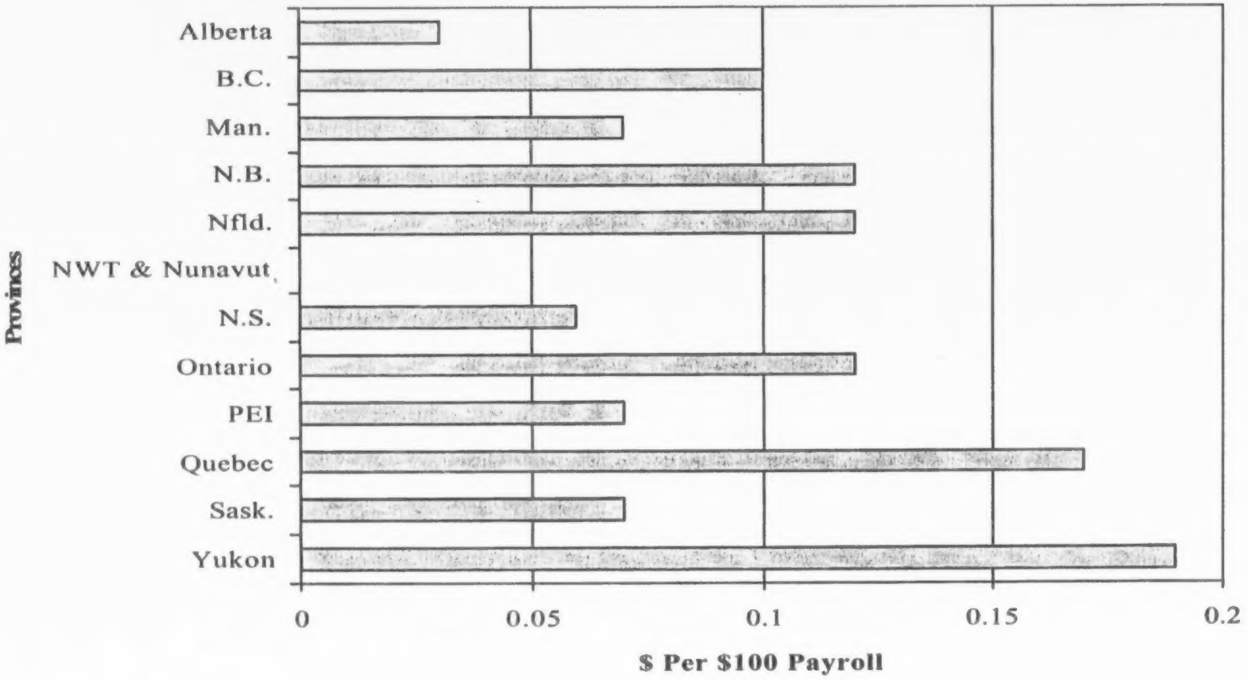
Figure 2.23 Average Calendar Days from Injury to First Payment Issued



Note: No data available for Quebec.

Source: AWCBC

Figure 2.24 Occupational Health & Safety Costs Per $100 of Assessable Payroll



Data for NWT/Nunavut unavailable

Source: AWCBC

Section 3. Recommendations

Responses to the Terms of Reference in the previous section have identified a number of strengths and weaknesses of the workers' compensation system in British Columbia. In this section, I will present my recommendations for how the problem areas should be dealt with. The discussion is organised by topic, with recommendations numbered throughout the section.

It is important to realise that this section cannot stand alone. First, the service delivery core review was organised around the questions in the Terms of Reference. Therefore, issues that fall outside the Terms of Reference have not been considered. Second, many of the recommendations are rooted in the previous discussion, and depend upon the evidence presented there. It would be redundant to repeat all that material here. Therefore, caution should be exercised by those who "cut to the chase" and just read this final chapter.

Customer Service Attitude

An organisational transformation is needed at the WCB, to complete the transition to the modern era begun with the fundamental workers' compensation reforms of 1991. Just as relationships with stakeholders were transformed by those system changes, a major internal transformation is needed as well. Although slogans may be trite and old-fashioned, the WCB needs to adopt a "Service is Our Business" attitude, and mean it.

Employees of the WCB like to say that they are in the "insurance" business, which is undeniably true. But to keep in step with high customer expectations as well as political and social changes in British Columbia and across Canada, it is much more important that they acknowledge they are in the "service" business. Obviously, this applies to the relationship with WCB claimants, but also to employers, service providers, and other stakeholders.

Management needs to build consensus and commitment around service goals, and actually reward their achievement. This does not mean endorsing the statement that "the customer is always right," but it does mean a better understanding of customer needs and a fundamental dedication to service quality.

Employees of the WCB obviously are the ones who will need to accept and internalise the service orientation. We are not so naïve as to think this is about saying "please" or "thank you." And we know that clients can be angry and abusive, even dangerous and threatening. But it is possible to say "no" and still treat the customer with respect. Training and support must be offered to decision-makers to give them the necessary skills to enable them to make this transition.

It is possible to differentiate between the "product" and the "service" of the WCB. The "product" consists of the decisions rendered and the interpretation of laws and policies that make up the output of the WCB. Obviously some significant part of this is not under the control or influence of the organisation. If the Provincial legislature chooses to change workers' compensation benefits, the WCB cannot be held responsible for the satisfaction of its clients with the new outcomes. But measuring service quality through a random survey of clients makes this a very difficult distinction. The service quality comes from the way in which people are treated, the attention to their needs, and so on. That is why the Ipsos-Reid surveys distinguish between "overall satisfaction" and "overall service" as discussed in Section 2 of this report. We believe the WCB should be held responsible for making accurate decisions, given the law and policy, and for communicating and administering those decisions in a way that is perceived as "quality service."

Recommendation #1 – Dedication to Service Quality

Accordingly, we recommend that the WCB implement a comprehensive service quality campaign throughout the organisation, but particularly in the Rehabilitation and Compensation Services Division. The WCB should engage the services of a respected consulting firm, with specific experience in helping organisations improve the quality of their service. This firm should, working with the Board's management, staff, and key stakeholders:

- ☐ Identify what stakeholders, clients, and employees view as quality "service;"
- ☐ Identify the value placed on different elements of that service (i.e., speed vs. accuracy);
- ☐ Obtain Board, Stakeholder, and Government approval of these elements, as the objectives of a quality improvement program;
- ☐ Develop a service quality improvement program for adoption by the WCB;
- ☐ Modify the existing initial and upgrade service training programs as needed, including training on dealing with clients under duress;
- ☐ Develop a flexible staffing model that would enable the Board to determine the appropriate staffing requirements needed to deliver agreed-upon service quality levels;
- ☐ Advise upon implementation of these plans.

The analysis, consultation, and planning phase would take approximately six to eight months, with implementation to begin early in 2003.

I believe this should be followed with media advertising which informs the public that the WCB is rededicating itself to service of its clients. When combined with the performance outcome measurement system recommended below, such a program will reinforce the service quality objective by clarifying public expectations of the workers' compensation system.

Staff Training and Accountability

Beginning with our Administrative Inventory in 1991, and re-emphasised in 1996, we have consistently found staff training and development at the WCB to be falling short of the mark. Now, the Board is also faced with the training gap in compensation services that was created by the transition to the new business model. Obviously, remediation of these errors must take first priority. Many WCB decision-makers were not properly prepared for their new roles.

But there is also a need to improve management oversight of the claims adjudication functions at the WCB. The Board should consider making further use of line managers, as a potential source of knowledgeable claims oversight resources. They are closest to the work and to the workers, and have the opportunity to make a considerable impact.

Since the change in leadership in 1999, Comp Services has begun to make progress on the subject of staff training and accountability. Managers are more empowered and are being held more accountable than in the past. The availability of data on results and outcomes on a desk-by-desk basis, has also increased the opportunity to hold individual staff accountable.

However, managers will likely need additional training to assist them in providing this claims oversight and supervision. An initiative should be undertaken to determine the level of "law and policy" knowledge of managers, and upgrade training should be provided, where necessary. All managers should also receive training on the process of applying claims management and service supervision.

The Board should also do a better job of providing individualised feedback to staff. Staff performance review processes became mired in labour relations and disciplinary procedures several years ago. We believe that a mandatory annual performance review program should be re-instituted as a part of the service quality program. The review can be non-disciplinary

(disciplinary action can still be taken outside of the performance review process) but should impact career progression and promotion opportunities.

We heard several suggestions that more needs to be done on this front, including revisions to the collective agreement to increase management's authority to deal with problem performers. Many of the jobs at the Board are very difficult and demanding and it is just not possible to determine in advance how each person is suited to such jobs. We feel that better avenues must be found to retrain, reassign, or discipline those who cannot do quality work.

Recommendation #2 – Remedial Training

The training "holes" that the current administration of Rehabilitation and Compensation Services inherited must be addressed immediately. Management mistakes of the past must be acknowledged. The knowledge, skills, and abilities of current decision-makers in the division must be assessed and remedial training offered on an expedited schedule. As has been discovered repeatedly in the manufacturing world, it costs a lot less to do it right the first time. It also leads to more satisfied customers and employees.

But decision-makers who have not been adequately prepared do not have the capacity to do it right. Presumably, that is one reason why the focus of the WCB has switched to the "back-end" of decisions (Early Appeals Intervention Project). We think that this effort will prove to be effective, at least for a time, and we are excited by the new spirit of cooperation between the WCB and the WCRB. But the underlying problems must be corrected and the necessary investment in front line decision-makers must be made to correct the fundamental flaws in the system.

Therefore, we recommend that the Staff Training and Development unit in Rehabilitation and Compensation Services conduct an assessment of the gaps in training that still persist within the Division and develop flexible remedial training programs that will address gaps in the knowledge, skills, and abilities of current WCB decision-makers.

Recommendation #3 – Employment of Persons with Disabilities

In addition, we recommend that the WCB embark on a pro-active program to hire persons with disabilities, particularly those resulting from work injuries. It is only through improved awareness of and sensitivity to the problems of persons with disabilities that the needed cultural change will take root. We believe that having internal resources that can reflect those values on a daily basis would assist the WCB in making this quality service transition.

Quality Assurance Program

The WCB has not had an effective quality assurance program in the 10 years that we have been observing it. In 1996, the Compensation and Rehabilitation Services Division developed a "Quality Management Discussion Paper" with the assistance of an internationally known business consulting group. However, this effort seems to have turned into an attempt to document existing quality and certify existing staff, rather than facing the difficult problem of actually assessing the quality of decision-making.

When the leadership of the Rehabilitation and Compensation Services Division changed in March 1999, a genuine assessment was begun of adjudication quality. This included the Hurst review, extensive internal discussions, and a series of performance reviews in different areas. The result of this process was the Quality Service Initiative approved by the Panel of Administrators in January 2000. However, it is my judgment that there was insufficient commitment to this effort and it has not succeeded in turning the situation around.

We are aware that the Core Reviewer for Governance, Appellate Structure, Major Law, Policy and Regulation Review is recommending an Internal Review process for the WCB. This Internal Review process would operate independently from the operating Divisions, reporting to the General Counsel of the WCB. One of the major goals of the Internal Review process is "to enhance consistency and predictability within the WCB decision-making process."

Clearly, such a function would provide a check on the quality of decisions by WCB officers. However, there is a bias to systems that depend upon appeals or complaints to assess the quality of decisions. They only will attract attention to the "negative" mistakes, those instances where a decision-maker denies something inappropriately. But it would be logical to expect that there might be an equal number of "positive" mistakes, those where a decision-maker has inappropriately approved something. Thus, I believe that an effective Quality Assurance program is also needed.

Evaluating adjudication quality is based on the determination that the decision is consistent with law, policy, and procedure. But there is a strong judgment element to many adjudication decisions, which cannot always be objectively determined. This is also true for many decisions in Prevention and Assessments. Accordingly, we recommend that a group of experienced decision-makers from the three operating divisions of the WCB be developed as a Quality Assurance group under the direction of the President/CEO, perhaps as part of Internal Audit.

The Quality Assurance unit would certify to the President/CEO that decisions have been made in accordance with law, policy, and procedure. They would not conduct independent investigations, but would be involved in a "paper review" of the claim. They would then certify that the processing of the claim did or did not comply with WCB policy and procedure. Since they would not have "substitutional" authority, it would not be necessary that they be "outside" the collective bargaining agreement.

It is important that a random sample of decisions be reviewed on an ongoing basis, that they be done promptly, and that the results of those reviews are cycled back to the initial decision-maker and his or her supervisor in order to complete the feedback loop. It is only by completing this loop in a supportive and helpful way that performance will actually be improved. Data from the quality assurance unit should also be carefully analysed by those responsible for the staff training and development effort as it will provide critical evidence on the issues where additional attention is needed.

Recommendation #4 – Quality Assurance Program

We recommend that the WCB commit itself to quality adjudication, as indicated above. In addition, we believe that this should be backed up with a strong quality assurance program. After appropriate standards of service quality have been developed (see Recommendation #1), the WCB should establish a Quality Assurance unit under the direction of the President/CEO. This group of experienced decision-makers would review a random sample of decisions from all three operating divisions and evaluate them according to law, policy, and procedure. They will certify that the decision was or was not made properly based on the evidence available, but will not have authority to replace the decision (as the Internal Review process will). For the sake of "natural justice," egregious errors should be reported to the WCB Ombudsman for advocacy and appropriate rectification.

The output of this unit will be a "decision error rate," which will serve as an index of the quality of decision-making at the WCB. Once some experience was been gained with this measure, it could be incorporated into the public outcome measurement reporting system recommended below. These statistics should be reported quarterly to the Senior Executive Committee and the governing board of the WCB. For a representative sample of compensation, rehabilitation, assessment and prevention files, the report should state that "x" decisions in "y" files were examined against the agreed upon standards and "z" percent were found to be in compliance. It should also contain a general analysis of the errors discovered.

This Quality Assurance unit could be operational for adjudication decisions in Rehabilitation and Compensation Services within approximately one year. It would require the development of appropriate quality standards first. The Prevention Division and Assessment Department would follow as standards for quality decisions are developed and the process evolves further. The Quality Assurance process of the WCB should be audited by the Auditor General of British Columbia every three years to ensure the accuracy and relevance of the process.

Outcome Measures

A key component of any quality program is the measurement and reporting of performance. A great deal of performance measurement already exists within the WCB. Most of that information is useful to Board management within the various divisions, and should be continued and further refined. More needs to be done, however, to develop a condensed number of outcome measures that address the overall performance of the organisation in terms that stakeholders, legislators, and the public can understand and accept as key system performance goals.

In addition, benchmarking can play a key role by measuring performance against objective, external standards. Benchmarking is particularly useful in situations where the adequacy of the absolute level of performance is unclear. For example, it is hard to determine an appropriate level of administration costs in a workers' compensation system. In the absence of some comparative standards, it would be difficult to determine whether costs are reasonable or not. But benchmarking is also fraught with difficulty. Social systems differ in obvious and subtle ways, much as humans do. In the end, the benchmark comparisons must be used judiciously to avoid providing perverse incentives.

Canada is fortunate to already have an extensive benchmarking effort under development. The Association of Workers' Compensation Boards of Canada (AWCBC) has been working toward this goal for several years, with significant input and leadership from the WCB of British Columbia. A committee of Chief Financial Officers of the Canadian Boards has targeted some 22 performance measures that will eventually be benchmarked across the Canadian Systems. Thus far, 18 of these have been standardised and are available for use.

The WCB went through a process of developing Key Performance Indicators (KPI) two years ago. The Senior Executive Committee narrowed the available indicators down to what they, the Practice Forum, and the Panel of Administrators felt was a reasonable number to represent the different business aspects that should be monitored. We have reviewed these KPIs for November and December 2001, and found them to be very adequate in their coverage and presentation.

But they are not all measured at the same level of abstraction. For example, the Prevention Division is only represented by the aggregate "injury rate," no process measures are included. Others are less global, or more process oriented. Moreover, on the whole, they still represent a rather high level of detail. More to the point, they are very useful for managing the business, but they are not so good for communicating to the public. They also strongly reflect the Divisional structure of the WCB, rather than a focus on system outcomes.

Recommendation #5 – Public Outcome Measures

Therefore, we recommend developing a shorter list of outcome measures that would be reported to the general public on a quarterly basis. It would include the following elements:

- Injury Rate
- Claims Timeliness
  - Short-term claims acceptance timeliness (paylag)
  - Permanent injury claims (pensions) finalisation timeliness
  - Appeals timeliness
- Outcomes for Permanent Injuries
  - Return-to-Work percentage
  - Earnings Replacement percentage
- Client Satisfaction
  - Claimant Satisfaction level
  - Employer Satisfaction level
- Administration Cost rate
- Assessment Level

These outcome measures capture the major performance dimensions of a workers' compensation system. Further, some of them can be fairly easily benchmarked against the other Canadian systems.

The **Injury Rate** is currently measured as the number of short-term disability (STD) claims per 100 person years of employment. While this is clearly not an adequate measure of the impact of WCB prevention efforts, it is as good as has been developed to date. It also has the virtue of being one of the items the AWCBC publishes on a consistent basis, so the performance measure can be benchmarked against Canadian standards. Because the injury rate is partly a consequence of the mix of industries in the Province, we also recommend that a standardised variant of this measure be developed that abstracts from the specific industrial content of each Province.

Claims Timeliness has three sub-parts, with the overall index representing a weighted average of the three sub-parts. The short-term claims acceptance timeliness is measured as the current paylag statistic. Because the emphasis is on system performance, we recommend using the date of disablement to the date of the first STD payment as the measure. This statistic is also published by the AWCBC and can therefore be benchmarked against other Canadian jurisdictions.

Timeliness measures for pensions and appeals should be included in this performance measure. I recommend that the pension timeliness be measured from referral for a pension consideration to the date of decision and/or initiation. This effectively separates the timeliness issues for short-term and long-term claims.

The appellate delay also needs to be measured as part of a comprehensive outcome measurement system. This should be measured from date of initiation of the appeal to the date of implementation by the WCB. In cases where the appeal is denied, the measure should be from date of initiation until the decision is issued. Multiple appeals would be treated as independent observations.

These three measures could be combined into one overall measure of timeliness by using a weighted average of the number of claims that fall into each category. Since the overwhelming majority of claims are temporary disability claims, the timeliness performance measure will be most heavily weighted toward temporary claims. However, long delays in adjudicating permanent disability claims or in implementing appellate decisions will count also. Because working down the backlogs (thus raising the number of long-delay cases that get tabulated) would effectively "punish" the WCB for doing the right thing, appropriate weighting and adjustment should be applied to ensure the outcome measure provides appropriate feedback.

Outcomes for Permanent Injuries are one of the most important, but least well measured of workers' compensation system outcomes. However, we feel that the two most important elements to capture are the return-to-work percentage among permanent disability claimants and a measure of earnings replacement through workers' compensation benefits for these workers. Thus, both replacing lost wages and restoring injured workers to employment would be included among the system outcome measures. Clearly, higher achievement in both of these measures would constitute better outcomes.

However, I am not satisfied that the WCB currently has the data to calculate these accurately. Lost wages would have to be simulated using pre-injury earnings and the duration of disability, since the WCB does not have access to post-injury employment or earnings data. Return to work is currently a presumption for most clients. What is needed to set the baseline is a "wage-loss study" which compares benefits and earnings post-injury for permanent disability claimants to a matched group of non-injured workers using administrative data. These studies have been done in several U.S. jurisdictions (California, Washington, Wisconsin, New Mexico), but none have so far been completed in Canada.

Client Satisfaction is currently measured through the Ipsos-Reid random survey of WCB clients. This is an accurate and credible external check on the quality of service from the workers' compensation system. Both claimant and employer satisfaction levels should be included in the system outcome measurement. The WCB and the Government should seek to partner with other organisations outside the Province to develop a common set of questions that would provide more comparative content for this critical outcome measure.

Administration Cost rate is currently calculated in accord with AWCBC standards. The major issue is to ensure that the denominator is appropriate. It is clear that the number of new claims registered would not be the right measure, because of the varying complexity of claims, the difference between permanent and temporary disability claims, and the backflow of work as a result of reopenings and appellate activity. Thus, I feel the best activity indicator would be the aggregate system cost. So, administrative costs should be measured in terms of cost per $100 of assessable payroll. This gives the true "burden" of administrative costs for the workers' compensation system.

There are two additional issues with the AWCBC standard. First is the fact that some administration costs are not included, because not all Canadian boards have some functions, prevention for example. Second, is that the cost of administering the appellate system should also be included. Therefore, it will be necessary to use different numbers for the outcome measure and the benchmarking exercise.

The last recommended outcome measure is the overall **Assessment Level**. This represents the total system cost to employers and in that sense can be regarded as overlapping somewhat with some of the other measures. However, the assessment level is the key outcome measure to employers and certainly represents a critical variable in assessing the business climate of the Province. In that sense, this outcome measure is in keeping with the spirit of the Progress Board Report as well. This measure is also reported by the AWCBC, and thus can be benchmarked, although with the same complications mentioned above. The Board might consider replicating the Oregon approach, which uses "local" employment levels and applies assessment rates from different jurisdictions to estimate what B.C. firms would pay if they were located in other providences or states.

These outcome measures are mostly already available. They should be reviewed and refined and benchmarked against the AWCBC standards where available. We believe that most of these could be implemented this year. The first System Outcome Report could go to the public in early 2003. Benchmarking involves more than simple comparisons; it means making a significant effort to ensure that the right thing is being measured, and that it is being measured in the same way. Benchmarking also generally implies a level of performance relative to the comparators, and it will be necessary to decide the appropriate comparison group. In British Columbia, the Progress Board is leading the way by setting the goal as the first or second best in Canada across a number of outcome measures.

While the data and comparisons are likely to be imperfect initially, they would certainly help to focus attention on the appropriate goals of the workers' compensation system and would support the service quality elements recommended here.

We believe that this list of outcome measures, released to the media with appropriate supporting detail on a quarterly basis, would produce an improved understanding of the workers' compensation system and improve the accountability of the workers' compensation system in British Columbia.

Vocational Rehabilitation

Vocational Rehabilitation Services have been the focus of our attention 3 times in the last 10 years. Most of the effort of the Vocational Rehabilitation Consultants (VRC) is going into supporting the pension awards function. Employability Assessments play a vital role in the British Columbia system, particularly for Loss of Earnings (LOE) pensions. And it is not clear how recommended changes to the pension system emanating from the Core Review would impact this need, but we assume that the number of employability assessments will be reduced. We would like to see those resources put into a disability management effort.

Recommendation #6 – Disability Management

We urge the WCB to adopt the principles of disability management. The National Institute of Disability Management and Research (in British Columbia) has developed practice guidelines for disability management that have recently secured the endorsement of the International Labour Office (ILO) in Geneva. The Code of Practice "presents a description of a supportive framework, the responsibilities of everyone involved, and recommended program elements and standards drawn from a consensus on best practices, research and experience." (NIDMR, p. 4)

We recommend the adoption of these principles in British Columbia. Bringing the focus back to the workplace and involving both management and labour in these return-to-work decisions may be the most important reform that could be accomplished in British Columbia in the long-run. Ultimately it will both reduce disability costs and improve return-to-work outcomes for injured workers.

It would be very appropriate for the Vocational Rehabilitation Services department to spearhead these efforts for the Rehabilitation and Compensation Services Division. This would insure that the VRCs are working with employers in their community, with the Prevention Officers of the WCB, and are in touch with the real labour market. It will also necessitate more early intervention by the VRC to insure that return-to-work planning is done early and well. In short, it will facilitate the achievement of best practice in vocational rehabilitation.

The fundamental question of the goal of VR services is also at issue. The debate over "employment or employability" has been a constant refrain for the past decade in British Columbia. Since injured workers and their supporters universally feel that employment is the only acceptable outcome, and that access to VR services should be a matter of right for injured workers, this issue will not go away. To employers, we believe the issue is primarily about the cost effectiveness of services. These policy differences are complicated by the sectoral decline of the primary extraction industries of British Columbia and the relocation issues that this raises.

Our 1997 review of VR policy and practice concluded that "the primary goal is employment, with employability as a secondary goal when the primary goal cannot be achieved." (p. 77) I do not see a realistic alternative to this arrangement in the current British Columbia environment. There are cases that do not achieve re-employment in the real world. The system cannot afford to absorb the cost of 100 percent LOE pensions for all these individuals. Thus, my position is that employability should be the minimum guaranteed, with employment as the service goal and preferred outcome.

Consultation or Confrontation

The Prevention Division has moved a considerable way in the direction of consultation in the past five years. We believe this is a positive development because it has produced results. But some employer groups feel that this has not gone far enough. They propose that the inspectorate be split into two groups; one to offer only consultation services, and the other to perform only enforcement activities. We discussed this proposition earlier in the report, and reported that we found the position of the WCB field officers to be more persuasive. They argue that, with good judgment, they can be much more effective when they have both sets of tools in their toolbox.

While it is true that some employers will not consult with the WCB for fear of incurring citations and penalties, we think it preferable to clarify the policies and train or retrain those officers who demonstrate excessive zeal in the application of penalties, rather than to hamstring the other officers by taking away some of their flexibility.

The recent accomplishments of the Prevention Division are laudable. With the focus firm program, and the joint industry associations (FARSHA, SHAPE, Road Builders, Council of Construction Associations, and others) being developed, the consultative approach to occupational health and safety is well established in B.C. While we understand the need for penalties, and even criminal prosecutions in egregious cases, we believe that reduction of the overall injury rate can only be accomplished with a cooperative approach.

Case Management Model

The case management model was being field-tested when we conducted our last administrative inventory. We visited the Prince George SDL where the model was being tested in 1995, and we re-visited Prince George as part of the Service Delivery Core Review in the fall of 2001. Case Management seems to work as it was designed in Prince George, but it is not clear whether that is because it is "case management" or because it is "Prince George."

What is clear in 2002 is that the implementation of the Case Management Model has been very uneven across the SDLs. We did not have sufficient time to examine this issue, but actually do not think it is very important. What matters most are the results, and we have addressed the general performance issues above. When considered in light of these recommendations, we do not judge that the implementation of the case management model is a major issue at this time. Therefore, we have no recommendation in that regard.

Advisory Services

Workers' compensation systems are very complex environments. Both injured workers and employers require assistance in dealing with the system. We do not regard this as a system failure; it is simply the nature of the environment. Canadian jurisdictions have developed institutions to assist workers and employers in their interactions with the system. British Columbia has the Workers' Advisors and the Employers' Advisors; organisations which are supported by WCB assessments but report to the Ministry of Skills Development and Labour. These independent advisory services are critical to the functioning of the workers' compensation system in British Columbia.

There is a long tradition of "lay services" in Canadian workers' compensation systems. In the U.S., it is typical for an injured worker who is dissatisfied with the workers' compensation system to retain a lawyer to represent his or her case. This typically means that from one-fourth to one-third of any financial recovery goes for compensating the lawyer. Employers and insurers frequently feel compelled to also hire a lawyer to defend their interests against these claims, and the result is a significant increase in overall system costs.

Canadian jurisdictions are fortunate to have avoided this slide into legalism, and we strongly support the lay service tradition. However, the Workers' Advisors and the Employers' Advisors in British Columbia are overwhelmed by the demand for their services. It is difficult to determine how much "excess demand" exists, but it has been estimated that the Workers' Advisors are assisting less than half of those who require assistance with their claims.

If the lay service tradition is going to continue in British Columbia, the Workers' Advisors and the Employers' Advisors must be adequately supported. Ultimately, the service quality initiatives outlined above may diminish the need for such assistance. But so long as the

WCB is making entitlement enforcement, and assessment decisions, there will be a need for advisory services.

Recommendation #7 – The Advisory Services

Therefore, we recommend that the Workers' Advisors and the Employers' Advisors be expanded to meet the needs that exist. This will be particularly important during the next two to three years as the workers' compensation system changes emanating from the Core Review work their way through to implementation and the bulk of the pre-existing claims are resolved. For this period, the system will be more complex than it has been in the past and the need for assistance, especially by workers, will be even greater.

Self-insurance, Self-administration

While it would be a radical departure from past practice, we think that British Columbia deserves a debate about the merits of self-insurance and self-administration for employers who can demonstrate the ability to handle it. Self-insurance has been available only to those employers denominated by statute. Self-administration does not exist in Canada.

There is a group of "payee 2" employers who continue wage and salary compensation to injured workers and then are reimbursed by the Board for the amount of the workers' compensation benefit. This vaguely resembles the "employer deductible" compensation system of Victoria, Australia. The limited evidence available indicates that "payee 2" employers in British Columbia have slightly shorter durations of disability. We presume this reflects the impact of disability management techniques, which are more readily implemented in larger establishments.

There is no question that some employers and some workers would benefit from access to self-insurance. Workers would likely see improved income continuity, and possibly reduced durations of disability, with more availability of favoured work and other accommodations to disability. Employers who use this approach could be expected to save on the costs of workers' compensation, depending upon how the administration and financial security issues were handled. Of course, appropriate surety requirements would be necessary to guarantee the payment of future benefits in the event of bankruptcy or other interruption in the life of the firm. Ontario's recent experience should not be overlooked.

However, there is a significant down-side as well. Self-insurance or self-administration could create a two-tier workers' compensation system, with one set of standards for large, well-performing employers, and another lower tier for the rest of employers and their workers. Inevitably, the lower tier would be smaller employers since there is a size bias to safety and disability performance. The lower tier would also tend to be lower-paid workers, since they tend to be employed in smaller establishments. These issues need adequate, informed public discussion.

Another variant that might be considered is the employer deductible found in Victoria, Australia. This system gives the employer the responsibility for paying the first 10 days of disability directly. Thereafter, the collective Accident Fund assumes responsibility and begins to pay. This scheme has the virtue of maximising income continuity, and it also encourages disability management with the injury employer. From the workers' perspective, it has the disadvantage of leaving a great deal of control in the employer's hands.

Recommendation #8 – Self-insurance and Self-Administration

After the quality service initiatives outlined above have been implemented and the system has found its new equilibrium (in two or three years), we recommend that a Policy Bureau study and stakeholder discussion be initiated over the self-insurance, self-administration issue. As this would be a major philosophical change for British Columbia, it should be approached cautiously to ensure that all aspects of the issue are carefully considered.

The current practice in other jurisdictions should be examined, including U.S. experience with large deductible insurance policies. The performance of "payee 2" and self-insured employers in British Columbia should be reviewed, with statistical controls for the characteristics of the firms. A stakeholder dialogue should be initiated on the advisability of such a policy change in the British Columbia environment.

Concluding Thoughts

Stakeholders in BC need to understand that it is really not in their best interest to keep "beating up" on the WCB or the WCRB. All it accomplishes is to make those inside the organisations more cautious and defensive. The WCB has always had its critics, but we were dismayed to see how widespread such attitudes have become. As indicated earlier, we did not find that the actual performance warrants such dissatisfaction, but the perception that the WCB does not treat people with respect is very common.

Legislators should understand that workers' compensation systems are very fragile creations. They have interactions and relationships that resemble live, organic creatures more than most statutory enactments. Thus, it is very difficult to "reform the system" without having unintended consequences. This is not to say that one should leave workers' compensation unreformed, but that one should proceed very carefully to implement changes to structure or policy. There is no magic set of principles that will cure the ills of the British Columbia, or any other, workers' compensation system. It will require time and resources to turn this situation around.

We would also like to make the point that the workers' compensation problems that find their way to MLA offices in Victoria are not a random sample of all cases, but represent a combination of the most persistent individuals and the most difficult situations. That is why they have not been resolved. MLAs are seeing a sample that is "the worst of the worst," and they usually do not get to see both sides of the issue. It would be dangerous to make policy based on this factual basis.

We believe that MLAs might prefer to refer their constituent inquiries to the appropriate advisory office immediately and make it clear to constituents that they (the MLAs) have no special standing with the WCB, or the WCRB. We also would urge the MLAs to champion more adequate support for the Workers' Advisors and the Employers' Advisors offices to enable them to better serve the very legitimate needs for assistance that exist.

According to the Royal Commission report, *For the Common Good*, British Columbia enacted the first "Workmen's Compensation Act" in Canada in 1902. (Royal Commission, p. 9) The "historic compromise" between employers and employees that is the foundation of modern workers' compensation systems was introduced in British Columbia in 1917. In 1920, the speaker of the legislature in the U.S. state of Minnesota is said to have called the B.C. system "the most efficient, economic and comprehensive in Canada and the United States." (Royal Commission, p. 13) After 100 years of experience, four Royal Commissions, and innumerable legislative changes, we think the British Columbia workers' compensation system is still within reach of becoming the best in North America. We ask simply, "Why not the best?"

	1991	1992	1993	1994	1995	Growth Rates 1991-'95
GENERAL COMPARISONS						
Average Employment in BC (Note 1)	1,572,000	1,620,000	1,676,000	1,754,000	1,792,000	3.3%
Unemployment Rate in BC (Note 1)	10.1%	10.2%	9.7%	9.0%	8.4%	
CPI Adjustment Factor (Note 1)	0.056	0.015	0.018	0.002	0.022	-23.4%
Average Weekly Earnings	$530.86	$545.42	$557.50	$577.15	$594.69	2.8%
Maximum Weekly Benefit - July	$658.77	$690.41	$727.81	$737.88	$753.70	3.4%
Minimum Weekly Benefit - July	$255.34	$259.61	$264.29	$264.90	$271.41	1.5%
NUMBER OF CLAIMS						
New Claims Registered AT WCB	203,740	197,793	195,117	197,911	194,280	-1.2%
Wage Loss Claims First Paid - BC	81,236	81,003	79,503	81,488	78,400	-0.9%
CLAIMS FIRST PAID BY TYPE						
Health Care Only Claims	68,614	66,510	56,186	59,297	68,823	0.1%
Short Term Disability (Temporary Total) Claims	77,664	77,274	75,601	77,108	73,762	-1.3%
Long Term Disability (Permanent Disability) Claims	3,431	3,583	3,778	4,228	4,504	6.8%
Fatal Claims	141	146	124	152	134	-1.3%
TOTAL	149,850	147,513	135,689	140,785	147,223	-0.4%
CLAIM COSTS CHARGED BY TYPE						
Health Care Only Claims (000)	$18,405	$17,429	$18,401	$21,654	$23,810	6.4%
Short Term Disability (Temporary Total) Claims (000)	$271,849	$317,380	$353,311	$389,799	$381,071	8.4%
Long Term Disability (Permanent Disability) Claims (000)	$194,684	$275,465	$323,353	$305,747	$284,767	9.5%
Survivor Benefits (Fatal Claims) (000)	$25,312	$29,676	$25,557	$36,533	$29,082	3.5%
Survivor Benefits - Widows(Bill 63,Supreme Court Decision)(000)			$90,415	$15,556	$0	ERR
Total Survivor Benefits			$115,972	$52,089	$29,082	-69.2%
TOTAL	$510,250	$639,951	$811,037	$769,288	$718,730	8.8%
Total WCB Staff (Note 4)	2,270	2,284	2,383	2,500	2,500	2.4%
Compensation Services Staff (Note 1)	837	868	893	991.3	1,012	4.7%
Comp Services Staff/1000 WageLoss Claims	10.3	10.7	11.2	12.2	12.9	
Comp Adjudicators (CA & CO)	201	230	247	243.2	255.3	6.0%
Voc Rehab Consultants	81	85	87	80.2	87	1.8%
Compensation Services Costs (000) (Note 1)	$45,011	$51,678	$55,252	$56,790	$57,955	6.3%
WCB Administrative Costs (000) (Note 1)	141,625	161,850	174,438	175,464	175,053	5.3%
Number Of Employers (Note 3)	109,106	112,525	115,281	139,601	146,293	7.3%
Maximum Wage Rate	$45,800	$48,000	$50,600	$51,300	$52,400	3.4%
Assessable Payrolls ($000) (Note 2)	$29,825,000	$34,256,000	$32,985,000	$38,550,000	$40,411,000	7.6%
Assessments ($000) (Note 2)	$575,572	$644,987	$694,944	$834,439	$924,078	11.8%
Average Assessment Rate ($ per 100) (Note 2)	$1.83	$1.95	$2.11	$2.16	$2.29	5.6%
FUND PAYMENTS (Note 1)						
Wage Loss Payments	$228,274,391	$273,363,910	$310,427,670	$343,950,879	$329,221,432	9.2%
Medical Aid Payments	$98,741,697	$109,968,965	$118,625,881	$133,203,780	$141,301,501	9.0%
Pension Payments	$183,233,428	$256,618,227	$381,983,143	$276,578,087	$248,206,731	7.6%
TOTAL	$510,249,516	$639,951,102	$811,036,694	$753,732,746	$718,729,664	8.8%
Fund Balance:						
Investment Income	$329,617,000	$316,122,000	$356,621,000	$345,373,000	$437,525,000	7.1%
Surplus or (Unfunded Liability)	$49,397,000	($117,042,000)	($615,352,000)	($744,422,000)	($665,158,000)	ERR

Footnotes:

1. Revised to reflect latest reports
2. 1993-1998 Amounts restated according to new methodology in WCB Annual Report
3. 2000 results are estimated
4. Includes CEO responsibility only

	1996	1997	1998	1999	2000[3]	Growth Rates 1996-'00
GENERAL COMPARISONS						
Average Employment in BC (Note 1)	1,821,000	1,869,000	1,870,000	1,906,000	1,949,000	1.7%
Unemployment Rate in BC (Note 1)	8.7%	8.4%	8.8%	8.3%	7.2%	
CPI Adjustment Factor (Note 1)	0.016	0.016	0.009	0.017	0.027	13.1%
Average Weekly Earnings	$607.54	$610.69	$618.37	$625.21	$637.00	1.2%
Maximum Weekly Benefit - July	$779.59	$802.60	$818.42	$827.05	$834.25	1.7%
Minimum Weekly Benefit - July	$275.27	$279.95	$282.21	$286.90	$292.90	1.6%
NUMBER OF CLAIMS						
New Claims Registered AT WCB	189,418	185,852	179,582	178,187	184,131	-0.7%
Wage Loss Claims First Paid - BC	73,840	75,124	72,795	71,343	72,314	-0.5%
CLAIMS FIRST PAID BY TYPE						
Health Care Only Claims	71,438	73,020	71,585	65,398	67,706	-1.3%
Short Term Disability (Temporary Total) Claims	69,021	70,745	69,431	68,671	68,362	-0.2%
Long Term Disability (Permanent Disability) Claims	4,667	4,215	3,239	2,525	3,796	-5.2%
Fatal Claims	152	164	125	147	156	0.6%
TOTAL	145,278	148,144	144,380	136,741	140,020	-0.9%
CLAIM COSTS CHARGED BY TYPE						
Health Care Only Claims (000)	$22,664	$21,527	$24,224	$27,294	$28,990	6.2%
Short Term Disability (Temporary Total) Claims (000)	$337,822	$362,578	$428,958	$479,294	$489,215	9.3%
Long Term Disability (Permanent Disability) Claims (000)	$334,399	$344,990	$353,314	$366,217	$443,356	7.1%
Survivor Benefits (Fatal Claims) (000)	$38,864	$32,614	$30,904	$29,684	$39,086	0.1%
Survivor Benefits - Widows(Bill 63,Supreme Court Decision)(000)	$0	$377,427	$3,844	$7,029	$5,949	ERR
Total Survivor Benefits	$38,864	$410,041	$34,747	$36,713	$45,035	3.7%
TOTAL	$733,748	$1,139,136	$841,243	$909,519	$1,006,596	7.9%
Total WCB Staff (Note 4)	2,434	2,470	2,460	2,631	2,761	3.1%
Compensation Services Staff (Note 1)	995.3	982.2	1,018	1,116	1,199	4.6%
Comp Services Staff/1000 WageLoss Claims	13.5	13.1	14.0	15.6	16.6	
Comp Adjudicators (CA & CO)	253.7	274.5	320.6	393.8	419.3	12.6%
Voc Rehab Consultants	86.1	78.1	76.7	67.4	84.6	-0.4%
Compensation Services Costs (000) (Note 1)	$59,625	$66,651	$66,756	$75,746	$79,835	7.3%
WCB Administrative Costs (000) (Note 1)	177,767	209,086	214,006	214,088	227,706	6.2%
Number Of Employers (Note 3)	152,316	156,233	161,770	164,963	166,598	2.2%
Maximum Wage Rate	$54,200	$55,800	$56,900	$57,500	$58,000	1.7%
Assessable Payrolls ($000) (Note 2)	$41,948,000	$43,935,000	$45,045,000	$46,483,000	$48,498,000	3.6%
Assessments ($000) (Note 2)	$961,774	$975,030	$907,047	$873,983	$848,160	-3.1%
Average Assessment Rate ($ per 100) (Note 2)	$2.29	$2.22	$2.01	$1.88	$1.75	-6.7%
FUND PAYMENTS (Note 1)						
Wage Loss Payments	$289,224,357	$304,021,330	$351,169,548	$397,629,594	$399,675,059	8.1%
Medical Aid Payments	$141,040,756	$152,551,050	$181,571,234	$203,740,239	$215,675,044	10.6%
Pension Payments	$303,483,114	$305,136,631	$304,658,610	$301,120,373	$385,297,175	6.0%
TOTAL	$733,748,227	$761,709,011	$837,399,392	$902,490,206	$1,000,647,278	7.8%
Fund Balance:						
Investment Income	$533,745,000	$644,688,000	$701,857,000	$858,409,000	$785,429,000	9.7%
Surplus or (Unfunded Liability)	($355,508,000)	$44,264,000	$68,941,000	$133,537,000	$420,969	ERR

Footnotes:

1. Revised to reflect latest reports
2. 1993-1998 Amounts restated according to new methodology in WCB Annual Report
3. 2000 results are estimated
4. Includes CEO responsibility only

Table A-2 Core Review Interviews

WCB

Dave Anderson, VP Rehabilitation and Compensation Services
Terry Bogyo, Director of Corporate Planning, WCB
Vaughan Bowswer, Vice President, Human Resources
Rick Deneault, Manager, Prince George WCB Area Office
Dave Driscoll, Manager, Kelowna WCB Area Office
Roberta Ellis, Vice President, Prevention Division
Sid Fattedad, Vice President, Finance/Information Services
Dave Fraser, Manager, Nanaimo WCB Area Office
Peter Hopkins, WCB Ombudsman
Dick Hurst, Internal Review, Compensation Services
Linc Johnson, Internal Review, Compensation Services
Frankie LaFayette, Manager, North Vancouver Area Office
Irma Lamoureaux, Finance
David McBride, Team Manager, Assessments
Jim McCaskill, Director, Vocational Rehabilitation Services, WCB
Joanne McConachie, Director, Human Resources
Ralph McGinn, President/CEO
Ajit Mehat, Director General, Policy & Regulation Development Bureau
Scott McCloy, Director, Communications WCB
Ian Munroe, Director, Interior Operations
Maureen Nicholls, Chair, Panel of Administrators
Gerry Paquette, Manager, Classification and Rate Modification
Joe Pinto, Director, Central Services, Compensation Services Division
Bruce Rollick, WCB Panel of Administrators
Izabella Schultz, Department of Psychology, WCB and University of BC
Keith Sullivan, RTW Coordinator, WCB
Virginia Tupper, Manager, North Vancouver Area Office
Brian Van Snellenberg, Executive Director, Finance
James Watson, Director, Long Term Disability WCB

Stakeholders

Lynn Bueckert, BC Federation of Labour
Employer Committee Meeting
    Ron Caldwell, Mining Association of B.C.
    Marion Carson, Canada Post
    Frances Kerstiens, HEABC
    Grant McMillan, COCA
    Eric Zukowsky, Canada Post
Employers' Coordinating Council
    Directors: Ian May, Jerry Lampert, Suromitra Sanatani, Grant McMillan, Phil Hawkstein, Doug Alley
Gavin Hamilton, Mining Assoc. of B.C.
Bill Hawkins, President, Compensation Employees' Union
George Heymann, BCGEU, Past POA Member
Kelowna Employer Forum
Kelowna Worker Forum
Ian May, COFI
Grant McMillan and Directors, COCA
Bill Meatchen, Washington Marine Corporate Safety Group
Eric Mitterndorfer, Past POA Member
Nanaimo Employer Forum
Nanaimo Worker Forum
Prince George Employer Forum
Prince George Worker Forum
Mike Rushby, Vice President, Human Resources, Weyerhaeuser Co. Ltd.
Jim Sayre, Workers' Advocacy Group
Jim Sinclair, BC Federation of Labour
Keith Switzer (BC Hydro)
John Winter, President, B.C. Chamber of Commerce
Andrew Wynn-Williams, B.C. Chamber of Commerce

Other

Brian Baillie, Brian Baillie & Associates
Bill Bennett, MLA
Tony Bhullar, MLA
Ray Bozzer, Employers' Compensation Advisory Services
Graham Bruce, Minister of Skills Development and Labour
Ida Chong, MLA
Graham Coetzer – former Director, Staff Development, Compensation and Rehabilitation
    Services, WCB
Bud DuGas, BPL Consultants Ltd.
Nick Gallagher, Pacific Risk Management
Judge Gill, Royal Commission Chair
Henry Harder, private practice - former Director, Rehabilitation Services, WCB
Dave Hayer. MLA
Peter Howard, Angus Quallie
Brian Jones, Auditor General's Office
Brian King, Chair, Workers' Compensation Review Board
Howard Kuschner, Provincial Ombudsman
Louise Logan, Consultant and former Director General, Policy Bureau, WCB
John Mandryk, Mandryk & Associates
Les McAdams, Auditor General's Office
Demi McMahon
Joyce Murray, MLA
Kevin McNeil, McNeil Group
Sheil Orr, MLA
Dr. Otter, BC Medical Association
Errol Price, Auditor General's office
Brent Quallie, Angus Quallie
Dale Reid, Registrar
Dr. Schonfeld, BC Medical Association
Leigh Sheardown, Registrar, Medical Review Panel
John Steeves, Chief Appeal Commissioner
Ken Stewart, MLA
Ralph Sultan. MLA
Gillian Trumper, MLA
Rick Thorpe, MLA
John Van Dongen, MLA
Blake Williams, Workers' Compensation Advisory Services
Alan Winter, Core Reviewer
Wolfgang Zimmerman, National Institute of Disability Management and Research

Table A-3 Submission Index

Employers

Name/Affiliation

Andrea Adams, Disability Management Coordinator, Teck Cominco Metals Ltd., Trail Operations
Amzad Ali
Bryan Baillie, B.D. Baillie & Assoc. Ltd., on behalf of Mainland Sawmills
John Bonnet, Provincial Coordinator, BC Public School Employers' Association
Ray Bozzer, Director, Employers' Compensation Advisory Services
Canada Post Corporation
Ian T. Compton, Holbrook Dyson Logging Ltd
Calum Coupland, Rainforest Roofing Ltd.
Doug Daniels, VP, Industrial Relations, Canadian Forest Products Ltd.
Laura Davis, sole proprietor
Murray Duncanson, Pope and Talbot Ltd., Harmac Pulp Operations
Employers' Forum
Mark Frame
Thomas J. Getzie, Forest Industrial Relations Ltd.
Todd Gilchrist, Regional Safety Manager, Canadian Waste
Paul Guilton, Groundworks, consulting company
Leighann Joseph, Health, Safety, and Loss Prevention Manager, The Fairmont Chateau Whistler
Ernie Killins, ICBA Representative, Corporate Electric Limited
Ken Leboe, Toyota
Mark Lefebvre, President, Parksville Chamber of Commerce
William Meechan, Corporate Safety Manager,Washington Marine Group
Steven Mullins, AStar Technology, Inc.
Henning A. Pedersen, Claims Agent w/ Canadian Pacific Railway Company
Public Service Employee Relations Commission Province of British Columbia
Dave Robertson, Canada Safeway
Mike Rushby, President, Human Resources, Weyerhaeuser Co. Ltd.
Mark Semeniuk, Chief Operating Officer, Atco Lumber Ltd.
Lee Sexsmith, President, Bonnet Hill Pub & Grill Ltd.
Melanie Sundquist, Hart House
Suromitra Sanatani, Canadian Federation of Independent business (CFIB)
Dale Versfelt, Director, Health and Safety, Construction Labour Relations
Lorne Welwood, Exec. Dir., Hope Pregnancy & Adoption Services Society and practicing attorney, small law firm
Rob Wilman, Ensign Resource Service Group, Safety Coordinator

Other Parties

Name/Affiliation

B.C. Provincial Government and Service Employees' Union
Bill Barisoff, MLA, Penticton-Okanagan Valley
Bill Bennett, MLA, East Kootenay
R. A. (Bob) Bernard, Professional Engineer
Shirley Bond, MLA, Prince George-Mount Robson
Carl Butterworth, President, Ergonomics in Motion
Larry Campbell, FARSHA
Kathleen Cook, Kathleen Cook Consulting, Inc., Marketing Strategies, Business Solutions
David F. Duncan, Small Business Planning/Silviculture Forester
Denise Fallis
Wade Fisher, IWA Canada Local 1-425
Charan Gill, FARSHA
Noreen Hall, WCB Advocate, Carpenters Local 1995
Bill Hawkins, Compensation Employees' Union
Dave Hayer, MLA
Reid Hedlund, BC Logging Health & Safety Agency
Susan Hope, Occupational Health and Safety (ICBC)
G.W. Lea, Psy.D., R.Psych.
Judith Lee, Attorney
Blair Lekstrom, MLA, Peace River South
Sherry Lloyd-Jones, Financial Services Branch, Ministry of Human Resources
John Mandryk, consulting business, J. Mandryk Associates, Inc., Disability Management Services
Richard S. Margetts, Q.C., The Law Society of B.C.
Wendy McCulloch, Manger, Training/Consulting for the Community Futures Development Corporation, Okanagan Similkameen
Tom McLeod, Manager, IWA Forest Industry Ltd Plan
Wayne Mills, International Union of Operating Engineers
John Nester, BC Logging Health & Safety Agency
Private Voc. Rehab. Services – Michael Wuitchik, Deborah Samson, Lloyd Vinish, Bernie Simpson, Brad Marshall, Rosanne Mitchell (See No. 19 below – Simpson)
Provincial Ombudsman
Brent Qually, Angus Qually Howard Consultants Ltd.
Safety and Health in Arts Performance and Entertainment (SHAPE) D. Cott, B. Hanham, B. Harris, M. Muir
Patty Sahota, MLA, Burnaby-Edmonds
James F. Sayre, Workers' Compensation Advocacy Group
Bernie Simpson, Chief Operating Officer, Networc Health, Inc.
Ralph Sultan, MLA, British Columbia
Emily Sutherland, Chair, BTA Health and Safety Committee
Francis Tsen, BTA Health and Safety Committee - Burnaby Teachers' Assoc.

Other Parties (con't)

Liz Tutt, President, B.C. Real Estate Association
John van Dongen, MLA Abbotsford-Clayburn

Workers and Representatives

Name/Affiliation
Beverly Allen
Nattanya-H:Anderson, flight attendant
Brent Arbuckle
Teri Barkwell, injured worker
Edward T. Barnes, Professional Engineer
K. Becraft
Lynn Bueckert, Director B.C. Federation of Labour (CLC)
Gordon Bramhall
Larus Grant Brandson
Wilma Brown
Patricia Callaghan, Founder, Canadian Injured Workers Society
Kenneth T. Campbell, Injured Workers for Government Accountability (workers, employers, and concerned citizens)
Gregory Carman
Stanislaw Ciuk
Fille Chere, worker advocate
Brenda Combs, spouse of injured worker
Fiona Cowie
Sherry Crowhurst
Terry DeCantis
Ralph Dotzler, President, U.A.I.D.W. (United Assoc. of Injured & Disabled Workers)
John Doucette
Wayne Dunn
Harry Easton
Sonja Efford, past Silviculture worker
Kathy Emde
J. A. Ferrero
Bob Filleul, injured worker
Karin Fleischeuer, injured worker
R. Gerrard
Ian Gilchrist
Susan Greening
Jim Guenther
Hemmingsen
Les Loucks, Cowichan Valley Injured Workers Support Group
Darren Maillot
Norm Matheson
Patti MacAhonic, husband fatality, June 1988
James McCombie
Kelly L. McNulty, spouse of injured worker

Workers and Representatives (con't)

Bill Murphy
Ernest Pfeifenroth
Shaukat Poonawalla
Brian Pybus, temp worker
Jacquie Reid
Wilmer Ringdal, father of deceased worker
Mark I. Robertson
Randy C. Rozon
Darlyne Rybak
Brent St-Gelais
Norman Scott
Leon Selzer
Connie Senft
Richard Short, writing on behalf of son
Charles A. Smith
Darwin Sorenson, Managing Director, IWOFBC
Patricia Tanumihardjo
Josh Thurston
Michael R. Welch
Alison Wesnoski
Russ Wideman
Vernon "Peter" Wiebe
Frank Zerr

Core Services Review of Workers' Compensation Board
Terms of Reference
September 2001

The government has recently begun a review of all of its core services and systems of administrative justice. A comprehensive review of the Workers' Compensation Board (WCB) is seen as an essential component of this process, as well as to meet the government's New Era commitment to make the Workers' Compensation Board more responsive to the needs of injured workers and employers alike. This document sets out the terms of reference for the core services review of the WCB.

Background

The WCB is an independent provincial agency created by the *Workers Compensation Act*. The WCB is responsible for adjudicating and administering benefits to workers, their dependants, and survivors for occupational injury and disease. The WCB is also responsible for the province's occupational health and safety program. The workers' compensation system is a mandatory, no-fault, monopoly system based on a "historic compromise" whereby workers give up the right to sue in return for security of benefits, and employers gain protection from legal suit in return for funding the system.

The WCB is a complex organization; this complexity results from the fact that it has responsibility to:

- exercise quasi-judicial functions that affect rights and responsibilities of workers and employers;
- exercise quasi-legislative functions that interpret the *Act*;
- develop regulations and perform regulatory functions;
- perform rate setting functions that can affect competition in the marketplace;
- perform inspection functions and investigative functions;
- collect and manage large amounts of money that must be invested to ensure funding levels sufficient to meet current and future liabilities;
- employ and manage a large, diversified work force which is deployed throughout the province;
- establish fee rates and oversee the quality of care provided by regulated health professionals;
- provide physical and vocational rehabilitation to injured workers and assist them to return to work.

The WCB's organizational structure reflects the complexity of these responsibilities. It is divided into three functional areas: policy making, administration, and appeals.

A Panel of Administrators consisting of a Chair and four Panel members governs the WCB. The Panel sets the policies and strategic direction for the WCB.

I. Objectives of the Review

The objective of the review is to ensure the Board has a clear mandate, which is relevant to society, and to determine ways in which the WCB can improve service delivery for both workers and employers. The review will be guided by the "historic compromise" that underpins the establishment of the workers' compensation system, as well as by the core services review framework and questions. Broad objectives include:

- Making recommendations with respect to the legislative and policy framework WCB requires to carry out its mandate effectively;
- Making recommendations to eliminate overlapping jurisdictions and multiple proceedings;
- Making recommendations to streamline administrative procedures.

Objectives that are specific to the WCB include:

- Making recommendations to ensure the long term viability of the workers' compensation system; and
- Making recommendations that will improve the service delivery of WCB programs and services.

In addition, the review will take into consideration the findings of the Royal Commission as set out in the Royal Commission's Interim and Final Reports.

II. Review Components

The review of the workers' compensation system will be divided into two parts. The first part will focus on service delivery. The second part will comprise five components: board governance, appellate structure, major law and policy issues, occupational health and safety and deregulation, and role definition.

Part 1: Service Delivery

A review of the current service delivery challenges within the workers' compensation system will be undertaken. A key component of this review will be a comprehensive assessment of the

WCB's interactions with workers, employers, and the public, a review of the WCB's current service standards, and development of recommendations that are in keeping with best practices.

Specific questions to be addressed will include:

Quality

a) Is the WCB providing fair and timely services to workers and employers in terms of decision-making about workers' compensation and rehabilitation, occupational health and safety in the workplace, and employer classification and premium rates?
b) Does the WCB communicate with its clients and stakeholders in a timely, responsive, and accurate manner? Is the response provided by the WCB appropriate given the nature of the question, problem or concern?
c) Is plain language used in all decisions, documents and communications? Are sufficient opportunities for face-to-face meetings and interaction provided?
d) Do workers, employers and the public have sufficient information and awareness about the WCB to access its services efficiently and appropriately?
e) Are processes for resolving complaints and disputes timely, fair, and effective? Are workers and employers adequately advised of their review and appeal rights?
f) Does the WCB provide adequate training to staff in terms of client interaction and client service?

Efficiency

a) Are current organizational and service delivery models the most efficient available, and in keeping with best practices? Will current service initiatives improve service delivery and meet the future needs of stakeholders? If not, what changes should be made to increase the level of efficiency while maintaining high levels of quality service?
b) Does the current system provide an appropriate focus on delivery of core services? Can organizational complexity be reduced to deliver these core services in a more efficient manner?

Accountability

a) Are current service performance measures and reporting mechanisms appropriate and effective?
b) Are appropriate mechanisms in place to ensure service standards and key performance indicators are tracked and met? Are appropriate benchmarks established and tracked?
c) If not, what changes should be made to ensure the ongoing accountability of the WCB for fair, responsive, and timely delivery of service to workers, employers and the public?

Part 2: Governance, Appellate Structure, Major Law, Policy and Regulation Review

1. Board Governance

A review of issues relating to the WCB's governance model will be undertaken, including consideration of the nature and size of the governance structure that would best provide the required stewardship of the system. A key component of this review will be a comprehensive assessment of board governance models in other jurisdictions and recommendations on best practices.

Specific questions to be addressed will include:

a) Does the current governance structure provide the required stewardship to the workers' compensation system? If not, how can effective governance be assured?
b) What are the components of effective governance in the context of the workers' compensation system in terms of:
  - Composition of the board;
  - Criteria for selecting board members;
  - Selection process for board members;
  - Terms of appointments;
  - Role of the chair;
  - Time commitment for board members, including the Chair;
  - Mechanisms for ensuring board cohesiveness;
  - Role of stakeholders in relation to the board;
  - Role of stakeholders in the policy and regulation development process; and
  - Direct reports to the Panel of Administrators.

c) With respect to issues of accountability and agency independence, what should be the role of the Minister of Skills Development and Labour in relation to the workers' compensation system?

2. Appellate Structure and Related Topics

This component of the review is to address issues relating to the adjudicative process both inside the Board and with external appeal bodies.

Specific issues to be addressed will include:

a) Should the workers' compensation appeal system be changed? If so, what system should be put in place to ensure the fair, expeditious, efficient and effective resolution of appeals?
b) What are the components of an effective appeal structure in terms of:
  - The number of levels of appeal;
  - The jurisdiction of appeal body(ies);

- The reporting relationship of appeal body(ies);
- The relationship of appeal body(ies) to the Panel of Administrators;
- The appropriate degree of independence;
- Whether board policy should be binding on appeal body(ies);
- The role of medical advisors in the appeal process, and specifically the role of the medical review panel process;
- Mechanisms to reduce appeal volumes and to prevent/address the development of backlogs in the system;
- The role and structure of internal review processes;
- The role of alternative dispute resolution in the system;
- Mechanisms to enhance consistency and predictability of decision-making within the system;
- Standards for performance measurement and accountability for appeal bodies;
- The organizational structure of any new appeal body(ies); and
- The role of any representational members.

c) Should there be a power of reconsideration and, if so, should there be constraints placed on this power (i.e. similar to that provided under the *Labour Relations Code*)?

d) With respect to compensation claims, if there is new evidence that is of a substantial and material nature, should it be considered by the first level of Board adjudication before it may be considered by an appeal body?

e) If a new appeal process is recommended, how should transitional issues be addressed? What is a reasonable timeframe within which to operationalize a new appellate structure and process?

f) Should estates of deceased workers have standing on appeal?

3. Major Law and Policy Review

This component of the review will involve a thorough examination of the critical issues that are fundamental to the sustainability of the workers' compensation system. This examination will have two elements: reviewing the scope of the workers' compensation system in terms of the range of the application and the types of injury/disease covered and reviewing specific policy issues that have been identified as requiring immediate attention, including pensions, benefit levels, vocational rehabilitation, finality in the system, funding the system, fatal/survivor benefits and relief of costs.

There are two specific objectives for the major law and policy review: first, to establish the extent to which the system should continue to provide the current level and range of coverage, and second, to bring specific policy components in line with other Canadian jurisdictions.

Scope and Coverage

Should the *Act* continue to provide "universal coverage" or should the scope of the coverage revert to the "exclusionary coverage" provided prior to the enactment of Bill 63 in 1994, or some other variation?
Policy Issues

Pensions

a) How should workers who are left with a permanent residual disability as a result of an occupational injury or disease be compensated?
b) Should the current pension system be retained, or should the approach currently used in other provinces be adopted? Specifically, should the *Act* provide for two separate types of pension awards: a lump sum for the non-monetary effects of a permanent impairment, and a pension to age 65 if there is an actual loss of earnings? If such a system is adopted, what type of benefits should be paid after age 65?
c) How should employability be assessed for the purposes of a loss of earnings pension? To what extent should non-compensable factors be considered when assessing employability?

Vocational Rehabilitation

a) Should the objective of vocational rehabilitation be employment or employability?
b) To what extent should the WCB provide vocational rehabilitation to injured workers? What, if any should be the limits to the WCB's discretion in this regard?
c) Should there be a statutorily mandated duty upon employers to accommodate injured workers? If so, should the nature of the duty vary depending upon the size of the employer and/or industry?
d) Should there be a statutory duty placed on workers to take all reasonable steps to mitigate any losses and return to work?

Benefits

a) What changes, if any, should be made to the method of calculating a worker's average earnings for the purposes of Section 33 of the *Act*?
b) When, if at all, should benefits from other government agencies, employment-related benefits, and private insurance plans be stacked and when, if at all, should these benefits be integrated with workers' compensation benefits?
c) Should the compensation rate be changed to a rate based on percentage of net earnings? Should the rate of compensation remain the same throughout the entire period of short term disability?
d) Should the way in which benefit payments are indexed be changed?

e) With due regard to the experience of other Canadian jurisdictions, should there be a waiting period for eligibility for workers' compensation during which the employer is obliged to maintain the worker on payroll? If so, should the employer be reimbursed by the system when the claim is accepted?

Lack of Finality

Should there be time limits on the ability to obtain reconsideration of past decisions with respect to compensation, occupational health and safety, employer assessment or classification matters? If so, what should these limitations be?

Occupational Diseases

a) Should the WCB continue to cover occupational diseases for compensation purposes, and if so how should they be addressed?
b) Should there be a mechanism for assessing and providing proportional entitlement for occupational injury and disease?
c) Should the current economic test remain for occupational diseases
d) How should applications for occupational diseases with long latency periods be dealt with under the *Act*?
e) How should the conditions of chronic stress and chronic pain be dealt with under the *Act*?

Funding the System

a) Should there be provision for redistribution of claims costs above a certain threshold?
b) Are the current relief of cost provisions contained in the *Act* and in Board policy meeting their intended objectives? Are these objectives still valid? Should the relief of cost provisions be continued or should alternative mechanisms be implemented? If so, what mechanisms and why?
c) Should the WCB have additional powers to combat fraud within the system? If so, what should these powers be?

Fatalities / Survivor Benefits

Do the current provisions of the *Act* ensure appropriate entitlement and adequate benefits for survivors following the death of a worker? What, if any, changes should be made to the *Act* in this regard?

4. Occupational Health and Safety and Regulatory Review

This component involves an analysis of the Board's current regulatory framework in order to identify areas of redundancy, repetition and overlap. It will also comprise a review of prescriptive versus performance based regulations with respect to occupational health and safety programmes, as well as a review of the role of new technology in providing simplified regulatory options to both large and small businesses.

Issues to be addressed in this section include:

a) Identify any overlap or duplication of regulations that can be immediately repealed without negative consequences for occupational health and safety.
b) Do the occupational health and safety requirements administered by the WCB provide an appropriate balance of performance and prescriptive powers?
c) Provide a plan for the effective review and reduction of health and safety regulations that is consistent with ensuring an appropriate balance between performance and prescriptive regulations without jeopardizing the health and safety of workers.
d) How should the specific needs of large and small employers be addressed in the development and application of occupational health and safety regulations?
e) To what extent can these needs be addressed through technological solutions and/or amendments to the Occupational Health and Safety Regulation?
f) Identify and address issues relating to occupational health and safety arising out of the Royal Commission Reports and the subsequent enactment of Bill 14.

5. Role Clarification/Definition

This component of the review clarifies and defines roles within the workers' compensation system. Specific questions to be addressed include:

a) Should the authority to amend Schedule B of the *Act* (the presumptive schedule of occupational diseases) and to establish regulations of general application with respect to occupational diseases continue to reside with the WCB?
b) What role should the Office of the Workers and Employers Advisors play in the workers' compensation system generally, and the review and appeal process in particular?
c) What role, if any, should the government play in the establishment, review and updating of occupational health and safety regulations? What is the appropriate role for WCB?

III. Time Frame, Consultation and Reporting

Parts 1 and 2 of the review will be conducted through parallel, but closely related processes. Two independent consultants have been retained by the Ministry of Skills Development and Labour to undertake the review. Each consultant has primary responsibility for either Part 1 or

Part 2 of the review. They will work in tandem, but each consultant is required to prepare a separate report for the Minister.

Part 1 of the review will engage stakeholders in a time-limited consultation process to ensure their concerns about service delivery are heard and understood. This consultation will include Government Members of the Legislative Assembly and may use such means as group meetings and a web-site. Part 2 of the review will encompass a more focused consultation process as significant stakeholder input into these issues has already been provided through the Royal Commission public hearing process. The consultant responsible for Part 2 will also be required to liaise with the Administrative Justice Review and the De-Regulation Initiative to ensure consistency in the recommendations where the issues being considered by these two processes overlap.

The timeframes for Parts 1 and 2 of the core review are set out below.

Phase 1: **Submission of Final Report**

By January 15, 2002 — Report to be submitted to Minister of Skills Development and Labour

Phase 2: **Report Tabled at Core Services Review & Deregulation Task Force**

By January 30, 2002 — Report is presented to the Core Services Review Task Force for direction.

Phase 3: **Legislation**

By March 15, 2002 — Legislation is prepared by Ministry and Minister introduces in the House. Formal direction is provided by the Minister to the WCB on non-legislative items.

Reference List

Barth, Peter S. 1987. *Workers' Compensation in Connecticut: Administrative Inventory.* Cambridge, MA: Workers Compensation Research Institute.

Barth, Peter S., and Michael Niss. 1999. *Permanent Partial Disability Benefits: Interstate Differences.* Cambridge, MA: Workers Compensation Research Institute.

B.C. Progress Board. "B.C. Progress Board, 2001 Report." 2002. Vancouver, B.C.: B.C. Progress Board.

British Columbia Workers' Compensation Act. 2001. Victoria, B.C.: Crown Publications, Inc.

Central Services, Rehabilitation & Compensation Services Divisions. 1996. "Quality Management Discussion Paper."

Dorsey, James E. 2000. *Saskatchewan Workers' Compensation Board: Recurring and Current Administrative Issues.* Regina: Workers' Compensation Board of Saskatchewan.

Government Consulting Group. 2001. *Accountability Package for WCB and FARSHA*. Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Hunt, H. Allan. 1992. *Workers' Compensation Board of British Columbia: Assessment Department Administrative Inventory*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Hunt, H. Allan, Peter S. Barth, and Michael J. Leahy. 1991. *Workers' Compensation in British Columbia: An Administrative Inventory at a Time of Transition*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Hunt, H. Allan, Peter S. Barth, and Michael J. Leahy. 1995. *The Workers' Compensation System of British Columbia: Still in Transition.*

Hunt, H. Allan, and Michael J. Leahy. 1997. *Vocational Rehabilitation: Policy and Practice at the WCB of British Columbia.* Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Hurst, R. J. 2001. "Recommendations and Board Progress in Responding." Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Hurst, R. J. 2000. "Quality Adjudication Report." Vancouver, B.C.: Workers' Compensation Board of British Columbia.

International Labour Office. 2001. *Code of Practice on Managing Disability in the Workplace.* Geneva: International Labour Office.

Ipsos-Reid WCB Client Satisfaction Survey Report, Third Quarter, 2001.

Making the System Better. 2001. The Injured Worker Participatory Research Project. Toronto: University of Toronto.

National Institute of Disability Management and Research. 2000. *Code of Practice for Disability Management.* Port Alberni, B.C.: National Institute of Disability Management and Research.

Office of the Auditor General of British Columbia. 2002. *Building Better Reports: Planning and Reporting Practices in British Columbia.* (Report 2001/2002: 3) Victoria, B.C.: Office of the Auditor General.

Office of the Auditor General of British Columbia. 1998. *Workers' Compensation Board of British Columbia: Accountability Reporting Review.* Victoria, B.C.: Office of the Auditor General.

Painter, Bert. 2001. "E-File": A Case Study in the Impact of Information Technology on Knowledge Work." Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Royal Commission on Workers' Compensation in British Columbia. 1997. *For the Common Good: Final Report of the Royal Commission on Workers' Compensation in British Columbia, Volumes I, II, and III.* Victoria, B.C.: Crown Publications, Inc.

Sayre, James F. 2001. *Workers' Compensation for the 21st Century. Presentation on Behalf of Injured Workers to the Legislation and Policy Core Review.* Vancouver, B.C.: Workers' Compensation Advocacy Group.

Seguss, Tony, and Tim Clarke. 1999. KPMG Quality Management Review Report. Vancouver, BC: Workers' Compensation Board of British Columbia.

Senior Executive Committee (SEC) of the Workers' Compensation Board of British Columbia. 1999. *Advancing the Plan: A Review and Restatement of the WCB Strategic Plan.* Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Senior Executive Committee (SEC) ofthe Workers' Compensation Board of British Columbia. 1996. *Transforming the Workers' Compensation Board of British Columbia: A Strategic Plan.* Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Telles, Carol A., Te-Chun Liu, Andrew Kowalczyk, and Ramona P. Tanabe. 2001. *CompScope Benchmarks: Multistate Comparisons 1994-1999.* Cambridge: Workers Compensation Research Institute.

Thomason, Terry, and John F. Burton, Jr. 2001. *The Employers' Costs of Workers' Compensation Insurance in Ontario and Selected Other Canadian and U.S. Jurisdictions.* (pre-publication draft)

Thomason, Terry, and John F. Burton, Jr. 2000. "The Cost of Workers' Compensation in Ontario and British Columbia. In *Workers' Compensation: Foundations for Reform,* Morley Gunderson and Douglas Hyatt, eds. Toronto: University of Toronto Press, pp. 261-298.

Thomason, Terry, and Alain Olivier. 1992. *The Administration of Workers' Compensation in Ontario and Quebec.* Unpublished manuscript. Montreal: McGill University.

Thomason, Terry, Timothy P. Schmidle, and John F. Burton, Jr. 2001. *Workers' Compensation: Adequate Benefits, Affordable Costs, and Safety Incentives under Alternative Insurance Arrangements.* Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Welch, Ed. 1998. *Worker's Compensation System Performance Audit*, Report 98-9. Prepared for the State of Washington Joint Legislative Audit and Review Committee.

Workers' Compensation Board, Alberta. 2001. *MLA Service Review Response Report*. Edmonton, Alberta: Workers' Compensation Board of Alberta.

Workers' Compensation Board of British Columbia. 2001. *WorkSafe: It's in Everyone's Interest, 2000 Annual Report.* Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Workers' Compensation Board of British Columbia. 2001. *Service, Quality, Accountability: Enhancing the Strategic Plan. Updating the Strategic Direction and Plan of the Workers' Compensation Board of British Columbia.* (Draft) Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Workers' Compensation Board of British Columbia (Prevention Division). 2001. *2002 Business Plan* (draft). Vancouver, B.C.: Workers' Compensation Board of British Columbia.

Workplace Safety and Insurance Board 2000 Annual Report. 2001. Toronto, Ontario: Communications Division, WSIB.

Workplace Safety and Insurance Board of Ontario. (no date) *The Five-Year Strategic Plan for the Workplace Safety and Insurance Board of Ontario, 1998-2002.* Ontario: Workplace Safety and Insurance Board of Ontario.